Daily Report

Central Eurasia

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Key Developments

KRO Protests Attempts To Defame Lebed; PLU Denies Links

LD0510214795 Moscow ITAR-TASS World Service in Russian 1115 GMT 5 Oct 95

[By ITAR-TASS correspondent Tamara Ivanova]

[FBIS Translated Text] Moscow, 5 Oct (ITAR-TASS) — The press center of the Congress of Russian Communities [KRO] today released a statement protesting against attempts to defame General Aleksandr Lebed. The press center refers to a leaflet featuring Gen. Lebed and words attributed to him: "I will teach you to love your motherland."

The leaflet, signed by the People's Labor Union [PLU], calls on the electorate to "cast their votes for the Congress of Russian Communities' candidates for the State Duma and for Gen. Lebed first and foremost."

The KRO press center stated that this was not the first attempt to defame Gen. Lebed. Some time ago false reports have been distributed in the name of a "bureau of information investigation Infra-M" about Gen. Lebed's alleged consultations with the PLU leadership about the union's participation in the present election campaign in order to take part in the 1996 election campaign.

The KRO press center believes those rumors to be "slander and subject to appropriate liability." The press center also reaffirms that the PLU has never been part of the KRO, and the KRO has never had any talks with the union. As for Lebed, it is well-known that he is number two on the KRO's federal list of candidates and was registered as a deputy candidate by the district electoral commission of one-seat constituency number 176 in Tula on 4 October.

In its turn, the PLU Moscow office has denied its involvement in producing the leaflets.

Shokhin Defends Government's Role in Election

MM0410103295 Moscow KOMSOMOLSKAYA PRAVDA ("Business Tuesday" Section) in Russian 3 Oct 95 pp 1-2

[Interview with Aleksandr Shokhin, president of Higher School of Economics and chairman of State Specialized Russian Export-Import Bank Council, by Sergey Ponomarev under the "Dramatis Personae" rubric; place and date not given: "A Reason To Curse Chernomyrdin Will Always Be Found: Either for His Love of the Fuel and Energy Complex or His Sympathies With the Banks" — first three paragraphs are KOMSOMOLSKAYA PRAVDA introduction]

[FBIS Translated Text] Our correspondent talks with Aleksandr Shokhin, president of the Higher School of Economics, chairman of the State Specialized Russian Export-Import Bank Council, and author of the program documents of the "Russia Is Our Home" [NDR] bloc.

Aleksandr Shokhin resigned from the post of vice premier of the government in October 1994, after "Black Tuesday." In June the premier personally invited him into his own bloc. Shokhin did not respond at once — he was afraid of being lost among the conglomerate of top-ranking officials and regional leaders.

He was not lost. Moreover, he became the author of the majority of the NDR's program documents — essentially the movement's ideologue.

[Ponomarev] And yet, Aleksandr Nikolayevich, many people still do not understand the correlation between the government as the executive power and the NDR as a political force. Are they not one and the same thing?

[Shokhin] From my viewpoint the NDR is not the governmental party but a movement which, although it might not be in opposition to the government, at any rate does not identify itself with it. For the simple reason that the present cabinet is heterogeneous. It includes leaders of other parties.

The NDR was formed, on the one hand, in order to broaden the government's political base and, on the other, to make that base more definite and predictable.

[Ponomarev] But it is already being said that, one way or another, members of the government play for "Our Home...."

[Shokhin] I do not quite agree with that. The government is not gearing up for the elections. It does not have that opportunity — it is constrained by the financial policy mechanisms adopted by the Duma along with the Law on the Budget. The cabinet is not trying to make its proposals more populist. Just take the taxing of bank deposits, which has been included in the draft tax system for next year!

[Ponomarev] Naturally, we are not talking about direct financial support for the NDR. And yet indirect support does exist. Let us recall, for example, Chubays' recent statement on the sale of state packages of shares in certain high-income enterprises on the security of a consortium of commercial banks. Or, again, the issuing of very profitable state savings loan bonds. The aim is clear — to top up budget-sector workers on the eve of the elections, to help the sectors....

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[Shokhin] You know, the problem is a different one. The government is still lagging behind the schedule for fulfilling its own pledges enshrined in this year's budget. The key task is to mobilize incomes. Therefore the sale of state share packages is an attempt to collect, at least partially, the 9 trillion rubles [R] planned for the second stage of privatization.

[Ponomarev] But you will agree that it seems somewhat strange that the April proposal by the consortium of banks is suddenly being implemented before the decisive election skirmishes.

[Shokhin] Why has so much time passed? This was to some extent a process of conciliation. Whether the financial or, as you insistently make clear, the political situation at the end of the year influenced the fact that the decision went through at all is another matter. You could be right, but only insofar as the bank consortium's proposal would have been adopted, at best, in December or January if it were not for the elections and the need for financial resources.

[Ponomarev] Aleksandr Nikolayevich, you will certainly have heard another version concerning those commercial banks. It is said that at the time of the August crisis on the interbank credit market the government and the Central Bank were deliberately working to bankrupt those banks which support political forces that do not identify with the NDR.

[Shokhin] I could think up a dozen similar versions for every occasion without leaving this office and having disconnected all telephones. But they would only be plausible versions. Nothing more. Quite honestly, it is easy for me, purely theoretically, to debunk these suppositions. Let us assume that the Central Bank has removed R500 billion from the interbank credit market, and everything has started to collapse.... It is very hard to make a targeted strike in this way. The whole banking system starts to sway. Whether or not it will collapse depends on chance. Incidentally, to some extent a wave of bankruptcies is even more advantageous for the opposition.

[Ponomarev] This opinion is held in society: "Everything is being done for a purpose!" But maybe many troubles stem from the fact that the government simply does not know how to use the delicate mechanisms of economic regulation?

[Shokhin] I would agree with this. In the NDR program we wrote down: "It is necessary to enhance the state's role in the market economy." A paradox, you might think? But it is essential to master the methods of fine-tuning the market. This, in particular, is the same credit on the security of shares. As distinct from a direct share sale.

There are also more effective mechanisms. Convertible bonds, for example, when a joint-stock company or enterprise floats loans on the security of its own shares. In principle, the state's task is to disseminate such mechanisms. Another task is the stabilization of expectations.

[Ponomarev] Help me, nonetheless, to solve one enigma. In connection with the sale of state packages, including those of a large number of oil companies, this question arises: Is Viktor Chernomyrdin really not afraid of losing the support of the oil generals?

[Shokhin] Above all, Viktor Stepanovich was considered "Gazprom's" man.... You must bear in mind the fact that the banks which receive these packages do not themselves have the right to buy them. Of course, this does not mean that the banks will be unable to organize any circuitous schemes and to acquire these shares.... But, in actual fact, this is how I understand your question: Has the government gone over to a scheme of relying on financial and banking circles instead of supporting the fuel and energy complex?

[Ponomarev] Precisely!....

[Shokhin] Because there is still time to go until the sale of these packages, and we will be able to see who will start operating more actively.

[Ponomarev] And yet, is a reorientation taking place or not? Maybe it has already happened?

[Shokhin] I will repeat: The chief thing is control of ownership....

In general, I believe that an investment competition is the most effective scheme for selling state share packages. Of course, on condition that a mechanism of security and, if you like, of compelling the investor to fulfill his pledges has been worked out. Even including the cancellation of licenses.

[Ponomarev] Aleksandr Nikolayevich, let us return to your bloc and the fact that certain ministers, headed by the premier, are members of it. I do not understand it when the present executive starts engaging in politics. Is this insurance, the creation of a reserve ground?

[Shokhin] Let us assume that some political party, in which there is not a single member of the present government, wins the elections and forms a cabinet. The time of the next elections approaches. Are these ministers to participate in them or not?

[Ponomarev] I do not know. But I asked you about this because there exists a possibly fantastic project:

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All ministers must stop carrying out their duties for the duration of the election campaign....

[Shokhin] Although Shakhray aired this idea recently, I tried to convey it to Chernomyrdin back in May or June. I said to him: "In order that no one calls you the 'party of power,' all the ministers who will be running for deputies must demonstratively quit their posts."

[Ponomarev] Your proposal, as we see now, was not supported....

[Shokhin] Only in one instance, and then this happened partially with Belyayev, who went on a long leave. Although Sergey Georgiyevich could have resigned altogether from the chairmanship of the State Committee for the Management of State Property. So that questions would not arise such as: The guy on leave is using his links, connecting up property committees in the regions, etc.

What do these ministers lose? Nothing! If the movement wins, they return. Even, maybe, to higher posts in line with their actual contribution to the win. If they lose, the victorious party will in any case drive them out of their ministerial posts. What this option means is another matter: Temporarily, until the elections, the government becomes technical, as it were, at best the budget for the first quarter of next year is adopted, and only the new Duma returns to political questions. The question of the budget is a political question.

[Ponomarev] And yet it is already clear that the 1996 budget will not be adopted in the form in which it has been submitted....

[Shokhin] It is not a matter of the text. Arguments such as that it is necessary to adopt the budget in any case, so as to lay the foundations of the government's work next year, take a back seat compared with the desire to beat the competitor. The rivals gain an additional argument in criticizing not the government but NDR and Chernomyrdin, its leader. Therefore any budget is unacceptable to the present Duma. If we recalculate for 5-percent inflation, as some deputies are demanding, the government will be criticized for departing from the demands of the Law on the Budget, which prohibits the use of inflationary sources of funding and Central Bank credits. If we pursue a tough policy, the cabinet will be accused of not giving out enough money.... If just six letters were written there — "budget" — even then the opposition would find seven mistakes.

The natural law of pre-election life obliges us to struggle against a competitor whom the voters understand. Previously Gaydar and Glazyev cursed Chernomyrdin for his love of the fuel and energy complex. I will not be surprised if they now start criticizing him for his love of the banks, for example....

Justice Ministry Rejects Complaints of Lax Registration

MM0610085395 Moscow ROSSIYSKAYA GAZETA in Russian 6 Oct 95 p 2

[Statement by Russian Federation Justice Ministry Press Service: "Justice Ministry on Side of Law"]

[FBIS Translated Text] The Russian Federation Ministry of Justice press service is authorized to state that a number of officials have recently criticized the Ministry of Justice over the registration of public associations entitled to participate in the December elections. It is claimed that the large number of associations is due to the fact that the Justice Ministry is "registering all comers — all a public association needs to do is call itself political."

Such statements, which are utterly untrue, do not help coordinate the activities of the Central Electoral Commission and Justice Ministry in providing organizational and legal support for democratic elections.

The Russian Federation Justice Ministry has registered 2,770 public associations, including 269 that are entitled to participate in the elections. Registration takes place strictly in accordance with the Russian Federation Constitution and existing legislation. The Justice Ministry never has and never will make arbitrary decisions in any circumstances.

We regard the irresponsible pronouncements as attempts to point the Justice Ministry in the direction of restricting citizens' constitutional rights and freedoms. The Justice Ministry will not do this in any circumstances. Officials making official statements of this kind must make their words commensurate with the demands of the Constitution and laws of the Russian Federation.

The Ministry of Justice stresses that its actions and decisions will continue to be based on strict observance of Russian legislation. The Ministry of Justice will not be shifted from this principled position.

[Signed] The Russian Federation Ministry of Justice Press Service

MMM Investors Picket Central Electoral Commission

LD0410223695 Moscow INTERFAX in English 1802 GMT 4 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 4 (INTERFAX) — About 200 private investors of the joint-stock

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company MMM began picketing the Central Election Commission at 4 p.m. Wednesday demanding the registration of the Popular Capital party led by MMM head, deputy Sergey Mavrodi.

The commission had denied the party registration Friday [29 September], saying it had Mavrodi's written directive to pay electorally active MMM investors their dividends. The commission ruled that it was a violation of citizens' constitutional rights.

A Popular Capital spokesman who declined to be identified told INTERFAX that MMM investors (simultaneously party members) from Moscow and its suburbs were taking part in the picketing. He said Mavrodi had promised to pay the investors their delayed dividends, if he was re-elected to the State Duma.

ZAVTRA Publishes Parties' Appeals to Electorate

Communist Party of Russia

954F3558A Moscow ZAVTRA in Russian
No. 37, Sep 95 p 3

[Communist Party appeal, with accompanying photograph of G.A. Zyuganov]

[FBIS Translated Text] WORKING PEOPLE OF RUSSIA! COMPATRIOTS!

The rulers of Russia and their myrmidons are accusing today's communists of all kinds of sins. They are repeating incessantly that we are thinking only about a return of our "privileges." This is a **shameless lie.**

We are from the party of *Aleksey Stakhanov and Yuriy Gagarin, Mikhail Sholokhov and Aleksandr Tvardovskiy, Ivan Panfilov and Georgiy Zhukov, Musa Dzhalil and Vasiliy Sukhomlinskiy, Pasha Angelina and Igor Kurchatov* and millions of communists and nonparty patriots of the socialist fatherland. They never had any privilege other than that of being the first to rise to the battle and to work until they dropped.

We have not betrayed the ideals of friendship, goodness, and justice and have not unleashed fratricidal conflicts. And it is we who want war and new calamities?

We have not betrayed the working people, brought the plants to a halt, and given birth to the unemployed. And it is we who are killing the reforms?

We have not betrayed our banners and the state and have not abandoned friends and allies. And it is we who have reduced our country to a state of hopelessness?

Let those who believe these fables reflect on **who** is disseminating them **and why.** Those same nomenklatura bosses and their court journalists and "scholars," who have preserved power and position from the former times and who are, as before, ruling the country with ineptitude and lack of supervision. No one has composed a single song about their deeds. Blood, charred ruins, refugees' tears, and unemployment are on their conscience.

They want to dump on us their sins, the sins of the party of national betrayal, which views Russia as its trophy and which has for the time being taken refuge in the "communist" signboard. Today this party of Trotskiy and Beriya, Vlasov and Yakovlev, and Gorbachev and Yeltsin has adopted the hypocritical new name of Russia Is Our Home.

A zealous homeowner always looks after his home and begins to build it from the foundation, not from the roof. **Their** home, in which everyone drinks to excess and steals and where waifs and strays and drug addicts are born and where the sick are not treated, is aptly called among the people a **den.**

The Communist Party of the RSFSR emerged deep inside the CPSU from below, on the initiative of the masses, back in the summer of 1990. It was formed for the protection of those who feed themselves by their own labor. In 1991, following the State Emergency Committee's failed attempt to protect the Soviet Union and socialism, the old nomenklatura, in an alliance with rogues of all stripes, carried out a coup d'etat and attempted as the first order of business to break up the Communist Party. In spite of all the persecution and prohibitions, we revived the party and are continuing its work.

Now the CPRF [Communist Party of the Russian Federation—Kommunisticheskaya partiya russkoy federatsii] already numbers more than half a million patriot-communists and has its own program and clear goals. It decided to take part in the elections in 1993 and the Federal Assembly to fight to restore government by the people and legality.

....We entered the Federal Assembly **not for the sake of "softening" and "humanizing" the regime but to fight it** and we asked the electorate to support us in this.

We promised **to combat the consequences of the coup d'etat.** And we managed to persuade the Duma to release from the torture chambers the defenders of the constitution and to save thousands of people from police persecution. We prevented the regime crushing the popular opposition.

We promised **to prevent the plunder of national property and an offensive against the fundamental rights of the working people.** And we voted against

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the government program of privatization and against the buying and selling of land and many other such laws.

We promised **to seek the creation of legislation geared to the protection of the rights of the working people so that people's power may in the future take this as a basis.** And we secured the adoption of laws on veterans and participants in the Great Patriotic War, an increase in the minimum wage and pension, the restoration and protection of savings, the youth, the fight against crime and corruption, the citizens' suffrage and local government, public organizations, and meetings and demonstrations.

We were aware and warned the electorate that **these authorities did not want and would not execute the laws.** They long since placed themselves outside of the law. This is why we voted no confidence in the government and for Yeltsin's removal from office.

We did just about everything that a faction numbering 47 persons could do.

....After the parliamentary elections, the communists will endeavor to form in the Federal Assembly a popular-patriotic majority, which will legislatively seek:

the return to the citizens of Russia of guaranteed socioeconomic rights to labor, recreation, accommodations, free education and medical services, a dignified old age, and a happy childhood. Government regulation of prices and a reduction in them, primarily for basic necessities;

restoration of the right of public ownership of the land and its mineral resources, forests and expanses of water, the continental shelf, and the sectors of industry, transport, and communications that are of strategic importance for the country's stable development and security. The use of the denationalization and nationalization of the means of production as two most important economic levers only for a strengthening of the power of the country and the well-being of its citizens;

the safeguarding of the independence and integrity of our fatherland. The prevention of fratricidal interethnic conflicts. The restoration of the friendship and cooperation of the peoples on the basis of the equality of the nations and recognition of the responsibility of each people for the state unity of Russia;

the cancellation of the Belovezha agreements and the creation of the necessary conditions for the phased restoration on a voluntary basis of a single Union state;

the pursuit of an independent foreign policy corresponding to the interests of the Russian state. The cancellation of international treaties and agreements infringing Russia's interests and dignity;

the strict observance of the civil and socioeconomic rights of our compatriots who have through no fault of their own found themselves outside of the historical motherland;

the adoption of a military doctrine not only guaranteeing national security but also enshrining the impermissibility of the use of the armed forces against the people;

assurance of the citizens' rights to truthful information and access to the state-owned news media of all public and political forces operating within the framework of the law.

The popular-patriotic bloc will nominate a candidate for president of Russia. For its part, the CPRF will do everything not only to offer a worthy candidate but also to put together a strong team of managers and professionals with an action program on the key questions of the life of the country.

....The forthcoming parliamentary and presidential elections afford us what is, perhaps, the last chance to change **in peaceful democratic fashion** the present political and socioeconomic course, which has brought our fatherland to the appalling tragedy.

We call on you to support the candidates of the Communist Party of the Russian Federation!

The leaders of our election association are Gennadiy ZYUGANOV, Svetlana GORYACHEVA, and Aman TULEYEV.

OUR SLOGAN IS RUSSIA, LABOR, GOVERNMENT BY THE PEOPLE, SOCIALISM!

(From the CPRF campaign platform)

1. Gennadiy Andreyevich Zyuganov
2. Svetlana Petrovna Goryacheva
3. Amangeldy Moldagazyyevich Tuleyev
4. Valetin Vasilyevich Chikin
5. Yuriy Dmitriyevich Maslyukov
6. Valentin Aleksandrovich Kuptsov
7. Anatoliy Vasilyevich Ionov
8. Valeriy Mikhaylovich Tarasov
9. Yuriy Pavlovich Ivanov
10. Aleksey Ivanovich Podberezkin
11. Nikolay Nikolayevich Savelyev
12. Valeriy Pavlovich Vorotnikov

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Congress of Russian Communities

954F3558B Moscow ZAVTRA in Russian
No. 37, Sep 95 p 3

[Congress of Russian Communities appeal, accompanied by photograph of Yu.V. Skokov]

[FBIS Translated Text] COMPATRIOTS!

Expressing the will of the Congress of Russian Communities, we citizens of Russia: a professional politician, a fighting general, and an economist, appeal to our compatriots on election eve. We have held high positions in the state and have quit them consciously, expressing a protest against the abuses of the regime. We are driven by an aspiration to make power moral and responsibility, we are driven by pain for the insulted Russia.

Today the Russian people and all other peoples of Russia are experiencing a tragedy. United in a single state and negotiating upheavals and periods of glory, now our society is disconnected like never before. Pondering the fate of Russia, which united a multitude of cultures and peoples in a unique civilization, which is today being destroyed, we aspire to introduce in policy the idea of order and a strict and just state defending the individual and all of society as a whole. Having considered the causes of the interethnic conflicts and the aspiration of the territories to isolation, we created social and political movements—the Congress of Russian Communities and the Union of Peoples of Russia—capable of reconciling the interests of the peoples and regions and of counteracting the disintegration of the country.

At this election time we appeal **to you mothers, daughters, and sisters**—custodians of the family hearth, moral commandments, and light and goodness. Today, when there are more funerals than weddings and fewer children than old people, when the mother seeks her last penny to feed and cure her child, and when Russia every year counts a million fewer of its citizens, you mothers, sisters, and daughters are doing your utmost to bar the darkness from the threshold of your dwelling places and are the spokesmen for the eternal soul of Russia. Unite with us, and together we will prevent Russia being turned into a depopulated territory.

We appeal **to you veterans of labor and military engagements.** Your exploits are Russia's priceless property. Today you are destitute. Your well-deserved awards are not sparing you humiliation. You have nothing with which to purchase prescription pills or a postage stamp to send a letter to Minsk or Kiev, which are now overseas. Join our movement, and grateful compatriots will bow their heads before your gray hairs and wounds.

We appeal **to you workers and peasants of Russia,** creators of the material wealth of the country and bastion of its sufficiency and security. Today you are living in poverty, declaring hunger-strikes, and living in a misery of expectation of dismissals. Join our movement, and we will together put an end to unemployment, start up the stalled motors, revitalize the deserted cornfields, and restore confidence and the erstwhile glory to the working man of Russia.

We appeal **to you native entrepreneurs, financiers, and industrialists,** those who are endeavoring to create a strong national economic system. You are being choked by taxes, being allowed to be torn to pieces by foreign banks and corporations, and being wiped out physically if you defend the economic interests of Russia. Unite with us, and we will actively support your efforts to breathe life into the enterprises, give the working people jobs and an income, and preserve the country's scientific and engineering schools.

We appeal **to you engineers and scientists,** whose inventions and ideas enabled Russia to endure in the present century, become firmly established in space, and create enormous scientific and technical potential. Today your talents are being rejected. The fruit of your labors is dying. We need your creativity. Without you Russia has no future!

We appeal **to you teachers and doctors, artists and writers,** to all who preserve the spiritual and physical health of the people and who write the chronicle of the people's acts, exploits, and sufferings. Without you a spiritual and believing Russia is impossible. We await you—together we will halt the wave of epidemics, corruption, and spiritual emptiness.

We appeal **to young people,** who have been robbed of the dream, whose aspiration to success and creativity has been devalued, whose field of opportunities has been narrowed, and who are being barred from the highest culture, policy, and the administration of the state and society. We will return to you your sense of success and strength! The motherland needs your honest hands, free minds, and spotless conscience.

We appeal **to you soldiers and officers** of Russia. You defenders of Russia's expanses and the ideals of justice and goodness, where are your mighty formations today? Where are the formidable weapons? Where is the strategic thinking? The Victory ideology has been taken away from you, and the foundation of any army—the defense plants— has been destroyed. Without apartments, without pay, and without fighting generals you are paying with your blood for the policy of inept authorities. Unite with us, and together we will return to the Russian Army its might, furnish it with

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first-class weapons, and compel the combat banners and orders to shine anew.

We appeal **to those who at the present menacing time have returned to the sources of the Russian soul, the spirit of collectivism,** to whom willpower, fraternity, and the idea of self-government are important, to the adherents of rural council values, who have preserved the inimitable spirit of the people's commune, to the Cossacks, whose weapons have defended the borders of Russia, and to all who are true to their national roots and who are solicitous of Russian traditions. Come to us, and we will prevent the springs of national life from running dry.

We appeal **to our fellow citizens** whom catastrophe has evicted from Russia. Unite! Know that you will not be forgotten by the motherland. Russia will be with you at the time of your adversities.

We address **to the peoples and governments of the world** an explanation of our goals, seeking from them respect for Russia's national interests.

We are taking part in the elections to change power. We will use power to protect compatriots against gangsters and revenge-seekers and social and economic disasters. We will channel power into creation, not the bombing of cities. We will restore ordinary people's trust in power and put this power under the control of the people.

We are open to you and have no goals or values other than service of the motherland.

Compatriots! Support us with your trust. We will unite all lands and classes, as used to be the case in Rus at a time of troubles and misfortunes and as a united fraternity and single nationwide community we will win!

[Signed] Yuriy Skokov
Aleksandr Lebed
Sergey Glazyev
1. Yuriy Vladimirovich Skokov
2. Aleksandr Ivanovich Lebed
3. Sergey Yuryevich Glazyev
4. Lyudmila Stepanovna Vartazarova
5. Dmitriy Olegovich Rogozin
6. Yuriy Khamzatovich Kalmykov
7. Vasiliy Ivanovich Romanov
8. Mikhail Ivanovich Kolchev
9. Oleg Ivanovich Denisov
10. Tatyana Grigoryevna Malyutina
11. Sergey Alekseyevich Goncharov
12. Sergey Vasilyevich Burkov

Liberal Democratic Party of Russia

954F3558C Moscow ZAVTRA in Russian No. 37, Sep 95 p 3

[Liberal Democratic Party of Russia appeal, accompanied by photograph of V.V. Zhirinovskiy]

[FBIS Translated Text] CITIZENS!

Our fatherland is now in a desperate situation. The country is already smashed into pieces—and the fragmentation is continuing. Wars are flaring up in the country, and Russian people are dying. The "authorities" have made life for the majority of people intolerable. Every honest person is seeking answers to the questions: What is the solution and why have we fetched up in such a quagmire? For unless an answer to these questions is found, it is not known how life is to continue.

Some people are beginning to look for enemies—this is understandable. Russia has always had many enemies—it could not have been otherwise since there is no end of those thirsting to grab Russia's riches—those residing in the earth, those that have been created by Russian people's labor and genius, and those that are in our hearts. Even the blind could see this in the civil war; the West tried to rob both the Whites and the Reds. But enmity is not in itself creative. If I exhibit animosity (do so justly, perhaps), but do not labor, I shall create nothing, and my name will disappear. We must not destroy but build. It may be said: Enemies are preventing us. Did the enemies both now and in 1917 overcome us by force? No, we ourselves proved to be lacking in steadfastness and lent an ear to the voice of those who charmed us—and in our madness tore down what our fathers and grandfathers had built.

It is shameful to seek an excuse in the intrigues of enemies. For 500 years now Russians have been conquering the unconquerable, fencing themselves in, and saving world culture from barbarians. If we are steadfast, strong, unanimous, what can an enemy do to us? If we are split and at loggerheads, can we hold out in the face of any onslaught? Yes, it is known what those who are now in power and yesterday's idols, whom many followed, destroying all in their path, represent. There have always been and always will be such people. But is it a question of them? Who followed them, who believed their false promises, who voted for these hollow people, who let out groans and howls at the suicides who rushed in a state of mental turmoil beneath the wheels of infantry fighting vehicles?

In all the catastrophes that have been experienced by long-suffering Russia one and the same phenomenon, thanks to which people believe in any mad professor or any passing adventurer, can be seen. This is faith, blind

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faith, that there is some unerring ideology. It cannot even be called an ideology: It is simply consistency of action and technique—do it this way, only this way, turn your left hand this way, move the right forward a little, and you will be all right and you will live a long life. At one time everyone believed, as in a miracle, in shaving beards and wearing sleeveless coats; at the start of the century they believed in socialization; now they believe in private property—and only in this. Is it not time to come to our senses?

I call on you, my compatriots, to say, in snapping fashion: ENOUGH. Enough of our educated ones pulling the wool over our eyes with heaven knows what examples put together from some experimental theories. It should not be man for theories but theory for man. It is not theory but life that is primary. Let the heirs of medieval scholars accustomed to arguing about how many devils can fit on the end of a pin discuss what is better—public or private—and engage in the pseudoscience of futurology (while they cannot predict what will happen to them a minute later)—this is their business. We must study and follow not constructions taken either from off the top of the head or from Belgium, Japan, or Madagascar but OUR, RUSSIAN, constructions, what has taken shape, been approved by actual reality, and works. And what our life rejects is not for us.

We are assembling around ourselves all to whom Russia, such as it has evolved, is dear, all those who want to live according to our, Russian, rules and laws. We have borrowed enough. The attempts to take something good from our neighbors have been unsuccessful. Our culture was for a long time influenced by Byzantium—the most mendacious state, in which life was embellished and reality was adapted to accommodate theory. Then we borrowed Polish culture—the most vulgar backyard of Europe. Then came the turn of the Dutch, who had already been subjected to the destructive effect of Calvinism, spent and impotent. Then came the turn of the French. Then....you could continue it yourselves.

The time has come to stop this mad race. Let us take our inspiration from the example of England. At a time when all states were copying the half-forgotten Roman law, it formulated its own laws, and held to them. Learned lawyers laughed at them; but England, strong in the unity of laws with a popular spirit, grew to the proportions of a great empire, and the countries that moved away from it, but preserved its spirit—America, Australia, Canada—are now powers of the first rank.

Let us respect one another and hold on to what our forefathers created, that which is serviceable which is being created today. Not inquiring what European yardstick it fits. Let our scholars get to know our life and conceptualize our own, domestic laws and find a place for them not only in the heart of the people but in a popularly accepted code also. Let only what is inoperative, what gets in the way of life, be demolished here; and whoever attempts—on the basis of whatever theory—to destroy what is living and what does good—let him be called by his proper name: an ENEMY OF THE PEOPLE.

We will restore what the people desire. We will speed along the paths which the people themselves signpost, with the relationships that have taken shape within them, and we will sweep away from ourselves all the sweet-sounding flatterers bewitched by the latest mannerisms of the West. But what is most important is that we will value OUR, RUSSIAN, mind and live by it.

Nor do we need the former policy—whether socialist or new, toadying-"democratic." Our policy must proceed from one thing—THE GOOD OF THE RUSSIAN PEOPLE. Let whoever so wishes attempt to push so-called "principles" and foist on other peoples and other countries that from which they are running. We must make friends with those whom WE need and not wait for favors from some people but seek out those who need us—but who cannot rob us. What kind of government this country or the other has—this is its business. But to what extent our relations with it are beneficial—this is OUR business!

We must help one another. Let those who are aware of their unity, who have understood that we need to proceed from reality, not from some scheme, and who understand that to prosper on ruin is vile and stupid, for, according to the ancient wisdom, when all has been ravaged, the ravager himself is ravaged also, gather around the LDPR [Liberal Democratic Party of Russia—Liberalno-demokraticheskaya partiya Rossii]. Let them be prepared—each in his place, wherever he may be—to help in his OWN, RUSSIAN, way, not destroy, but maintain and preserve what lives and grows. But this help is not enough. We need to PRESERVE Russia, and for this reason to bar the way to ANY unthinking philosophizing and the imposition of unprecedented things rejected by the people and, as far as we are able, to create for each arch operator a life whereby he is unable to develop his poison. Then Russia will break free from the vicious circle of pseudo-philosophizing and the chase after the specter of prosperity and turn to the true life, to real prosperity and peace of mind based on a firm foundation.

By this we will conquer!

[Signed] Vladimir Zhirinovskiy

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1. Vladimir Volfovich Zhirinovskiy
2. Sergey Nikolayevich Abeltsev
3. Aleksandr Dmitriyevich Vengerovskiy
4. Stanislav Mikhaylovich Zhebrovskiy
5. Aleksey Valentinovich Mitrofanov
6. Mikhail Safarbekovich Gutseriyev
7. Mikhail Lvovich Monastyrskiy
8. Mikhail Ivanovich Musatov
9. Vladimir Kuzmich Gusev
10. Natalya Borisovna Narycheva
11. Oleg Aleksandrovich Finko
12. Sergey Vyacheslavovich Kalashnikov

Election Guidelines

Accord Treaty Commission Calls For Ethical Campaigning

MM0310124495 Moscow ROSSIYSKIYE VESTI in Russian 29 Sep 95 p 2

[Appeal from Conciliation Commission for Implementation of Social Accord Treaty to Participants in Russian Federation Federal Assembly State Duma Election Campaign "On the Basic Principles of the Electoral Campaign": "Respect Principle of Voters' Freedom of Choice"]

[FBIS Translated Text] On the eve of the Federal Assembly State Duma election campaign the Conciliation Commission for the Implementation of the Social Accord Treaty,

— acting within the parameters of the main provisions of the Treaty on Social Accord,

— supporting civilized means of conducting political campaigns,

— deeming it necessary to pool the efforts of representatives of various political organizations to ensure law and order during the elections,

— respecting the principles of candidates' ideological and political diversity and equality of rights and voters' freedom of choice,

urges participants in the Russian Federation Federal Assembly State Duma election campaign:

1. In their election campaign to eschew abuses of freedom of mass information and not use slogans designed to fuel social, ethnic, racial, and religious enmity and destabilize the sociopolitical situation in society, as well as calls for the unconstitutional usurpation of power, the forcible change of the constitutional system, and the violation of Russian state integrity.

2. To carry out election measures in strict accordance with current legislation. There must be no harsh assessments and sharp political statements which violate legal requirements or the norms of political ethics.

3. To refrain from unsubstantiated public statements that discredit political opponents, from disseminating apocryphal material impugning the honor and dignity of Federal Assembly State Duma candidate deputies.

4. Not to initiate during the election campaign questions regarding the early suspension of the powers of organs of state power and local self-government apart from cases where their activity contravenes the Constitution and current legislation.

5. Not to hamper the activity of collecting signatures and holding election events in support of various electoral associations and blocs and independent candidates.

6. To refrain from making populist, unrealistic promises of providing immediate socioeconomic benefits and mass payments currently beyond the state budget.

7. Not to accept donations to election funds from companies and commercial structures that have sullied their reputation with illegal activity.

8. To seek dialogue and constructive cooperation, collaboration with all participants in the electoral process, notably within the framework of events held by electoral commissions and state bodies.

9. To provide assistance and support for public observers' activity to monitor the course of elections and the summing-up of their results.

The Conciliation Commission for the Implementation of the Social Accord Treaty and the Russian Federation Presidential Public Chamber in collaboration with the Central Electoral Commission and the Russian Federation Presidential Court of Appeal for Information Disputes intend to pay closer attention to the election campaign and publicize electoral blocs' and associations' violations of current legislation and electoral ethics.

The Conciliation Commission for the Implementation of the Social Accord Treaty, aware of the exceptional role played by the mass media in shaping public opinion, urges the personnel of printed publications and electronic mass media to promote by word and deed the strengthening of political stability and civil peace in the country.

The Conciliation Commission for the Implementation of the Social Accord Treaty considers it a highly important task of the election campaign to ascertain Russian Federation Federal Assembly State Duma candidate deputies' professional and business qualities, their abilities for lawmaking, and their commitment to the course of reform and to civil accord in society.

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The election campaign must not split society but serve to develop democracy and strengthen the Russian state.

Daily Explains Election Procedures for Armed Services

MM0510123995 Moscow ROSSIYSKAYA GAZETA in Russian 5 Oct 95 p 3

["Explanations Regarding the Procedure for Servicemen's Exercise of Their Electoral Rights During the Preparations for and Holding of Elections of Deputies to the Russian Federation Federal Assembly State Duma, Second Convocation, Ratified by Decree No. 21/187-II of the Russian Federation Central Electoral Commission 28 September 1995" — ROSSIYSKAYA GAZETA headline]

[FBIS Translated Text] According to the Russian Federation Constitution, the Federal Law "On Basic Guarantees of Russian Federation Citizens' Electoral Rights," the Federal Law "On Elections of Russian Federation Federal Assembly State Duma Deputies," the Russian Federation Law "On Russian Federation Citizens' Right to Freedom of Movement, Choice of Place of Sojourn and Residence Within the Russian Federation," servicemen of the Russian Federation Armed Forces, the Russian Federation MVD [Ministry of Internal Affairs] Internal Troops, the Federal Border Service, and other ministries and departments with troop units under their jurisdiction have the right to elect and be elected to the Russian Federation Federal Assembly State Duma. People serving in troop units stationed outside the Russian Federation enjoy full electoral rights.

With the exception of the restrictions envisaged by the Russian Federation Constitution and federal laws, restrictions on servicemen's active and passive electoral rights on grounds associated with the nature, conditions, duration, or place of their service or place of sojourn or else with their place of residence prior to being drafted for (entering) military service or on other grounds are inadmissible.

Under Article 18 of the Russian Federation Law "On Defense" it is prohibited to conduct any political campaigning, including election campaigning, on the territory of troop units, large formations, or establishments of the Russian Federation Armed Forces. Article 45 of the Federal Law "On Elections of Russian Federation Federal Assembly State Duma Deputies" prohibits election campaigning and the dissemination of any election campaign material to troop units, military establishments, or organizations. The command of a troop unit is to ensure the provision of information for servicemen regarding registered electoral associations, electoral blocs, and candidates for the Russian Federation Federal Assembly State Duma. Servicemen in their spare time, when outside their troop unit, can take part in meetings between voters and candidate deputies and in other election events. Commanders of troop units and troop unit precinct electoral commissions are to arrange for servicemen to watch television programs and listen to radio broadcasts carried by state television and radio companies in connection with the preparations for and holding of elections.

1. Servicemen are entitled to be elected deputies of the Russian Federation Federal Assembly State Duma. Under Article 40 of the Federal Law "On Elections of Russian Federation Federal Assembly State Duma Deputies" a serviceman can nominate himself or be nominated by voters in the relevant electoral district with signatures subsequently being collected in support of his candidacy. Signatures are to be collected among servicemen stationed in troop units by agreement with troop unit commanders. Unit commanders must assist the organization of signature collection. Once voters' signatures have been collected and a personal written application submitted to the district electoral commission the serviceman, in the event of his being registered as a candidate and on application, is to be released from military service in order to take part in the election campaign from the day of registration until the day that the general election results are published.

During the above period all the rights and obligations envisaged by Article 44 of the Federal Law "On Elections of Russian Federation Federal Assembly State Duma Deputies" are extended to military candidates for parliament. A serviceman's election as a Russian Federation Federal Assembly State Duma deputy is grounds for the interim suspension of his service.

2. Russian Federation election legislation envisages that servicemen's voting should be organized at general polling stations.

Matters pertaining to the organization of voting by servicemen and other troop unit voters at general polling stations are to be tackled by district electoral commissions by agreement with the commanders of troop units stationed on the territory of the relevant electoral districts.

It is recommended that troop unit representatives be included on the relevant territorial and precinct electoral commissions in order to organize voting by serviceman at general polling stations and make provision for early voting by servicemen.

On polling day troop unit representatives on the precinct electoral commissions are to issue secret ballot papers in accordance with the list of troop unit voters, which

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once completed are to be placed in the general ballot boxes. Once the ballot is complete and the votes have been counted, the lists of troop unit voters are returned to the troop unit where they are stored in accordance with the procedure prescribed by legislation.

It is permissible for electoral precincts to be set up directly at troop units stationed in isolated areas far away from population centers. Should a troop unit commander set up a precinct directly in the troop unit by decision of the relevant district electoral commission, an electoral commission comprising 5-10 members is to be formed by the elective local self-government body no later than 44 days before polling day. In the event of the elective local government's failing to appoint the members of the precinct electoral commission within the prescribed period or of there being no elective local self-government body in this area, the precinct electoral commission is to be set up by the relevant territorial or district electoral commissions. The activity of troop unit electoral precinct electoral commissions is to be directed by the relevant district electoral commissions.

The work of precinct electoral commissions of electoral precincts formed at troop units takes into consideration the requirements regarding restrictions on citizens' right to freedom of movement and choice of place of sojourn and residence in border areas, in closed military camps, or in areas where a state of emergency or martial law has been introduced as prescribed by the Russian Federation Law "On the Right of Russian Federation Citizens to Freedom of Movement and Choice of Place of Sojourn and Residence Within the Russian Federation."

A serviceman may be included on the electoral roll and vote in only one electoral precinct. Under Article 13 of the Federal Law "On Elections of Russian Federation Federal Assembly State Duma Deputies" the list of voters that includes servicemen stationed in a troop unit, members of their families, and other voters — if they live within the confines of a troop unit — is to be drawn up on the basis of data submitted by the unit commander to the relevant precinct electoral commission no later than 6 November 1995. Servicemen resident outside troop units are to be included on electoral rolls in their place of residence in accordance with general principles.

Early voting by troop unit voters is to be implemented in accordance with the procedure envisaged by Article 58 of the Federal Law "On Elections of Russian Federation Federal Assembly State Duma Deputies." Precinct electoral commissions are to organize early voting by voters at polling stations on application prior to their departure on vacation, for treatment in a hospital or medical establishment, to perform missions for the command in inaccessible or remote areas, or on other valid grounds.

In the event of early voting being carried out in territorial electoral commission premises (four to 15 days before the elections) the list of troop unit voters who have voted and envelopes containing ballot papers are to be handed over to the precinct electoral commission in whose polling station the voters from this troop unit vote or to the electoral precinct commission at the troop unit itself.

Voting by servicemen is to be organized by electoral commissions in coordination with the command of the relevant military districts and troop units and garrison chiefs.

Information regarding the numerical strength and basing of troop units is not to be divulged. It is prohibited for such information to form a separate section in the Russian Federation "Vybory" State Automated System database.

Precinct electoral commissions of electoral precincts formed in troop units shall:

— compile and elaborate list of military voters and other citizens resident within the confines of a troop unit base;

— study electoral rolls, examine applications regarding errors and inaccuracies in electoral rolls, and resolve questions of making relevant changes to the list;

— inform voters of the day and place of the voting;

— prepare voting premises, ballot boxes, and other equipment, and allocate communications and transport systems;

— examine appeals (applications) regarding breaches of federal legislation and adopt well-argued decisions;

— organize the transportation of military voters to polling stations on polling day (where necessary);

— provide for early voting;

— organize voting on election day at the polling station;

— count up the votes and establish the results of the ballot in the electoral precinct;

— ensure access to the polling building for all members of the electoral commission, observers, candidates, and their agents;

— deliver information regarding the voting results to the relevant district electoral commissions.

In a troop unit polling station the precinct electoral commission may declare the vote complete ahead of the time stipulated by Article 58, Section 1 of the Federal Law

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"On Elections of Russian Federation Federal Assembly State Duma Deputies" if all the voters on the electoral roll have voted.

Access by observers, including foreigners, observers from electoral associations, electoral blocs, and candidate deputies, and their agents, to troop unit polling stations on election day and during the vote counting is implemented on submission of appropriate identification. Troop unit commanders, when earmarking premises for polling stations, must ensure that they are located outside top-security installations.

Troop unit precinct electoral commission records carrying the results of the voting are to be submitted to the relevant district electoral commission. The storage of electoral rolls, precinct electoral commission records, ballot papers, and other precinct electoral commission documents is to be organized in the troop unit in accordance with legally prescribed procedure.

3. Electoral precincts in troop units outside the Russian Federation are to be set up by leaders of diplomatic missions or Russian Federation consular establishments on the territory of their host country at the behest of the Russian Federation Defense Ministry. A postcript stipulating that such electoral precincts be ranked as single-seat districts is laid down in the Federal Law "On Ratifying the Chart of Single-Seat Electoral Districts for the Elections of Deputies of the Russian Federation Federal Assembly State Duma, Second Convocation."

In an electoral precinct formed outside the Russian Federation the members of the precinct electoral commission are appointed by the leader of the relevant diplomatic mission or Russian Federation consular establishment or by the commander of the troop unit stationed outside the Russian Federation.

Precinct electoral commissions formed in troop units stationed outside the Russian Federation are to be provided with forms for electoral rolls, precinct electoral commission records, and with secret ballot papers, and other electoral documentation by the Russian Federation Central Electoral Commission [CEC] and district electoral commissions via the relevant diplomatic missions and consular establishments.

The records of precinct electoral commissions in troop units stationed outside the Russian Federation are to be submitted by the chairmen of these commissions to the diplomatic mission or consular establishment of the host country and, once the data has been included in the overall results of the voting by Russian Federation citizens in the said country, are to be returned to the troop unit for storage in accordance with legally prescribed procedure.

Early voting by voters from troop units stationed outside the Russian Federation is to be performed at the relevant diplomatic mission or Russian Federation consular establishment in their host country.

4. Expenditure incurred by the precinct electoral commissions formed by troop unit commanders is to be funded by the Russian Federation Defense Ministry, the Russian Federation MVD, and other Russian Federation ministries and departments with troop units under their jurisdiction from federal budget monies allocated to the Russian Federation CEC for the holding of elections of Russian Federation Federal Assembly State Duma deputies.

Electoral commissions and troop unit commanders ensure the implementation of the requirements of Article 52 of the Federal Law "On Elections of Russian Federation Federal Assembly State Duma Deputies" regarding the inadmissibility of donations by troop units and military establishments and organizations to the electoral funds of candidate deputies, electoral associations, or electoral blocs.

Forecasts & Commentary

Daily Sees More Left-Wing Duma Likely

MM0510100095 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Oct 95 p 1

[Article by Vasiliy Ustyuzhanin under the "Elections-95" rubric: "The Left Column Is Marching, the Right Column Is Marching. But Who Will Reach the Finish?"]

[FBIS Translated Text] For the time being sociological poll data induce justifiable, triumphant languor only in communist hearts. According to the data of the "Public Opinion" Foundation, in September almost 12 percent of people polled were ready to vote for them. There are several explanations for the phenomenon. The communists have not severed the umbilical cord with the past (whatever your attitude to it), and nostalgia in politics is a great mobilizing force. Second, Zyuganov's communists are persistently loosening fertile soil — patriotic soil. You have only to plant a stick in this black earth now, and a tree will grow.

It is more than likely that the fifth State Duma, which is already left-wing, will turn still more thoroughly to the left on becoming the sixth in December.

But the pre-election right flank also looks surprisingly healthy — which should be put down to the undoubted services of B.N. Yeltsin personally. There have always been plenty of defenders of the needy and oppressed in Russia. But there was a very acute shortage of liberal reformers. Therefore the growth in the numbers of

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the latter is a gratifying fact. Right-wingers differ from left-wingers in Russia in terms of one important feature. When talking of private ownership of land, genuine right-wingers do not mumble indistinctly: Of course we are in favor, but, mindful of specific Russian conditions, we cannot allow..., etc. Right-wingers in Russia are firm supporters of private ownership. In this sense, even though they think themselves rivals, Grigoriy Yavlinskiy, Boris Fedorov, Yegor Gaydar, Viktor Chernomyrdin, Sergey Shakhray, and Irina Khakamada are actually berries in the same field. It is just that some of these berries are more sour (diluted by social rhetoric), while others are slightly more bitter (thickly peppered with the simple truth). The chief battle in the camp of the right-flankers will develop between two electoral blocs — Viktor Chernomyrdin's "Russia Is Our Home" and Grigoriy Yavlinskiy's "Yabloko." At present "Yabloko's" rating is higher — which does not yet mean anything. A very great deal in this principled dispute will be directly resolved by the 17 December voting process.

The radical opposition is acting as an independent political force in the elections. Because of its radical nature, value orientations are of no great significance. But Zhirinovskiy is the only real "Duma go-getter" (from the root "get to the Duma") in this company. Although, to all appearances, the LDPR [Liberal Democratic Party of Russia] will not repeat its sensational success of two years ago (66 deputies' seats won at a stroke!). A whole armada of generals has intercepted the LDPR's electorate. In addition, Zhirinovskiy has disappointed rather than charmed during his two years in the Duma.

The fourth composite column is made up of enigmatic sphinxes — the electoral associations led by the physician Svyatoslav Fedorov (the Party of Working People's Self-Management); by the writer Stanislav Govorukhin; by Vladimir Polevanov, ex-governor of Amur Oblast ("For the Motherland!"); and by Eduard Rossel, the present governor of the Urals ("Transformation of the Fatherland"). They have crawled onto the front of the stage at the last moment, like a devil from a snuff-box, and nobody knows for sure what these devils are capable of.

The winner will be the one who behaves not like a prim young lady in contact with the people but like Nightingale the Robber [legendary half-bird, half-man waylayer of travelers featured in medieval heroic poems]. What can you do — that's democracy.... Back in the 19th century Konstantin Pobedonostsev, chief procurator of the Holy Synod and spiritual mentor to two emperors, grieved: "It is terrible to think what would emerge in our country if destiny were to send us a fateful gift — the gift of a Russian parliament."

That villain destiny has sent it.

Late Swings Seen Likely To Impact Vote

MM0510150195 Moscow IZVESTIYA in Russian 4 Oct 95 p 2

[Report by Larisa Kosova of the All-Russia Center for the Study of Public Opinion under the "Election-95" rubric: "Voters' Sympathies Will Be Established in the Final Week"]

[FBIS Translated Text] Most analysts regard the 17 December 1995 parliamentary elections as the prologue to the presidential election, as a chance to score points in the future political game. Public opinion sides with the experts: A majority (54 percent) of the adult population of Russia believes that the results of the upcoming Duma elections will not have a significant impact on the country's life. Only 17 percent of the respondents expect significant changes as a result of the elections. At the same time, nearly two-thirds of those polled believe that the elections must not be postponed, that they definitely must be held in December 1995. In the eyes of the majority of the population the scheduled holding of the elections is an element in the essential order and stability and a normalizing feature in the political and civic life of society, giving it due legitimacy.

How do Russian Federation citizens intend to use their right to elect and be elected? Let us look at Table 1. The first column cites all the respondents' replies to the question of whom they are inclined to vote for in the upcoming elections. The figures in the second column are the answer to the same question, but the percentages are calculated only for the respondents who declared their willingness to go and vote.

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Table 1. If the elections were to take place this Sunday, what party or bloc would you vote for?

	Percentage of those polled	Percentage of those intending to participate in elections
Communist Party of the Russian Federation	9	14
Yavlinskiy Bloc	8	11
Liberal Democratic Party of Russia	6	8
Russian Is Our Home	5	8
Russia's Democratic Choice (Gaydar)	3	7
Congress of Russian Communities (Lebed)	3	4
Don't know	27	15

As we can see from the table, several election blocs have a real chance of clearing the 5-percent barrier and taking seats in the new Duma. But the level of mobilization of their potential electorates varies. Supporters of the CPRF [Communist Party of the Russian Federation] are more ready than the others to use their right to vote: Some 54 percent of those prepared to vote for that party are absolutely sure that they will go and vote. For four blocs — "Yabloko," DVR [Russia's Democratic Choice], NDR [Russian Is Our Home], and the LDPR [Liberal Democratic Party of Russia] — this indicator is around 40 percent. In the case of the KRO [Congress of Russian Communities] it is a little lower, at 35 percent. If in the course of the election campaign the aforementioned blocs are able to mobilize their supporters and persuade them of the importance of actually voting, they can expect success.

But let us look at one important factor that had a decisive impact on the outcome of the 1993 elections. Remember that during the last election campaign a significant number of respondents decided where their sympathies lay immediately before the elections — in the final week or two. As we can see from Table 1, there is now a significant group of respondents that has declared its willingness to go and vote, but has not decided for whom. Fifteen percent "don't knows" is a high figure, particularly in a situation where even the best-"supported" blocs have less than 15 percent support. A wave of people voting not on the basis of rational decisions and conscious interests could have a major impact on the results of the vote.

Who is in this "risk group"? There are more women in it than men, with lower rather than higher education, and more country than city dwellers. What is more important, though, is that in the last elections these people voted for blocs that have broken up or blocs that failed to meet their expectations. For instance, 26 percent of former DPR [Democratic Party of Russia] supporters, 17 percent of former LDPR supporters, and 16 percent of former DVR supporters do not know whom they will be voting for on 17 December 1995 (compare that with the fact that only 5 percent of those who voted for the CPRF at the last elections did not know when asked about their electoral preferences). Much depends on whom this electorate plumps for.

But there is another side to the coin — a significant number of voters are voting for a particular political bloc because "it reflects the interests of people like me." There is a "partyization" process taking place — images are emerging in people's minds associated with various political entities and people are identifying with one of them. Real participants in the political process are emerging, with their own ground swell of support.

Let us look at Table 2. The first column indicates the number of respondents who believe that a particular bloc or party reflects their interests and intend to vote for it.

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Table 2. Reasons for voting for a particular party

	This party reflects the interests of people like me	I will vote for this bloc because I support its leader
CPRF	79	6
DVR	78	45
LDPR	77	33
"YaBLoko"	76	47
NDR	69	52
KRO	59	57

As we can see from the table, in the case of four political blocs the proportion of "ideological" supporters, voting for a particular party by virtue of conscious interests (at least, so they say) is nearly 80 percent. Although for a significant proportion of this group of voters identification with their party is through its leader (see Table 2, second column). Supporters of practically all political blocs, aside from the communists, are conscious of their interests' being close to those of a particular bloc via its leader. The platforms of the current protoparties exist as it were in an audio-visual form, articulated by the "top man" and guaranteed by his authority. Only the CPRF can be described as a party with a non-individualized platform.

Whatever the results of the 17 December vote, the significance of the upcoming elections cannot be reduced to the number of seats obtained (or not obtained) in the Duma. Voting is an element of ordinary behavior, a habit of civic existence.

Minor Parties' Election Prospects Viewed

MM0510141695 Moscow ROSSIYSKIYE VESTI in Russian 4 Oct 95 p 2

[Article by "ROSSIYSKIYE VESTI Analysis Service": "Who Plays in the Minor League? Political Outsiders on the Eve of the Parliamentary Elections"]

[FBIS Translated Text] Recently, in a number of analytical reviews and interviews with electoral commission representatives, some concern has been expressed at the excessively large number of parties, movements, and blocs wanting, if not to win, at least to take part in the struggle for places of honor in the Sixth State Duma. According to some predictions, by 22 October the number of possible collective contenders for representation in the future parliament will be between 50 and 60, which, in the view of some authors, could simply confuse the voter, who, as a result of the massive election propaganda that is still to come (and the reciprocal and mutual discreditation and self-discreditation of the blocs), will end up totally incapable of making any conscious choice. Real as this danger is, its extent, in our opinion, has been considerably exaggerated.

Let us recall that 35 associations intended to take part in the 1993 election campaign, but only 21 (60 percent) managed to collect and submit the necessary number of signatures to the Central Electoral Commission within the time allowed, and only 13 reached the second round. In the event, only seven associations and parties (20 percent of the participants in the "first heat") reached the present State Duma, having crossed the 5-percent barrier.

In general it can confidently be assumed that despite a number of factors that could change this trend (a long time limit for the collection of signatures, more efficient and well-rehearsed techniques for this process, etc.), the dynamics of the control figures (100 percent — 60 percent — 20 percent) that characterized the 1993 elections will remain generally the same. This will also be promoted in part by other factors, in particular the fact that the Central Electoral Commission, which two years ago, because of the tight campaign schedule and fears that electoral blocs would not collect the required number of signatures at all, turned a blind eye to the authenticity of the lists of signatures, intends this year to check strictly and in a principled manner the authenticity of the preliminary signatures from an electorate that is, let us note, less generous with them than before. Among the additional factors mention should be made first and foremost of financial factors, and also the fact that a significant proportion of the population is tired of political battles and engrossed in its own more pressing problems — factors which, taken together, will further "slim down" the list of those wishing to swell the honored ranks of members of the State Duma.

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A prediction is always (and especially in relation to outsiders) hypothetical, but nonetheless even now, by assessing the political potential and possibilities of those who have already reached the starting line and comparing this with the predominant moods, sympathies, and expectations of the electorate, it is possible to judge fairly clearly how realistic are their chances of success.

The favorites' names are more or less known, they are on everyone's lips, and they have already been the subject of dozens of analytical reviews in which the outsiders who are ideologically close to them are mentioned (usually in passing). Nonetheless the outsiders, whose very existence indicates the trends that predominate in society, certainly merit separate analysis.

But before we try to define who now makes up the "minor league" in Russian political life while at the same time having pretensions to winning a cup match with the "big league," it is necessary to specify the actual political spectrum of parties and movements represented in the present electoral field, as well as the quantitative and qualitative composition of their actual or potential electorate.

It should be noted that this is the point on which there is still much confusion in current analytical publications. The majority of analysts now favor the traditional or classical pattern: left, right, center. In other cases they use a more ideologized version of the classification: democrats, centrists, patriots. Even rarer is the so-called pragmatic approach based on assessment of the degree of loyalty to the existing system of power; in this case the blocs are usually characterized as pro-presidential, pro-government, the "apathetic masses," and the opposition. There are also other, rarer and more sophisticated versions of definitions of present-day political forces, for instance, liberal-cosmopolitans, national-communists, national-patriots, etc.

All these classifications, while to some extent accurately reflecting the differences in the spectrum of political forces, in general take little account of the realities of Russian life today, in which the ideological, positional, and tactical placing of the various parties and movements is so entangled and confused that it is frankly impossible to define their place in the political spectrum by using only one or two criteria, and in all cases account must be taken of the specific characteristics of their approaches to a number of the real key issues, in particular:

— ownership and its private and state components;

— the role of the state in society's economic and political life;

— the country's future state and territorial structure;

— the relationship between the ideas of patriotism and panhuman values;

— the attitude to the country's historical past;

— the assessment of the present system of power.

And only by answering all these questions is it possible to arrive at a comparatively accurate classification of the political forces that are really present and — even more important — really active in present-day Russian society, and hence, correspondingly, of the political parties and movements that represent them. In this case the (apparently extremely wide) political spectrum immediately becomes considerably narrower and can be divided into just five main groups:

— liberal reformers

— nomenklatura modernizers

— social democrats

— communists

— national patriots

Each of these groups is objectively present in society, and consequently forms a certain part of the electorate; each of them has its own parties and movements, including leading contenders and outsiders. And each of these groups is objectively characterized by quite specific developmental trends: national patriotic forces are on an upswing; social democratic and communist forces are remaining stable — and at a relatively high level; after a brief period of upsurge, there is clear evidence of a decline in interest in — and hence in the influence of — nomenklatura modernizing forces; liberal reformist forces are on the way down. These trends could change, of course, but that is how they are at the moment.

At the same time, there are in existence and in operation other, secondary or more subjective components of success in the election campaign. Let us mention just the main ones:

— the financial status of a bloc or movement, and in particular its leaders' ability to raise money on the strength of an attractive idea or on the strength of their own personality; here, in view of the absence (in the majority of cases) of any new, attractive or ground-breaking ideas, the main factor in attracting investments is specific individuals who, resorting to the communist vocabulary of the Brezhnev period, could be characterized a priori as "our dear" people: According to preliminary figures, the 1995 campaign will cost the average bloc in the elections on party lists an average of R20-22 billion rubles, and this expenditure is by no means an unconditional guarantee of entry to the Duma;

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— a clear definition of one's own electorate, and also the presence or absence of real rivals — not in the spectrum of material potential, but in the spectrum of the ideas offered by the bloc and how far they correspond to the interests and needs of the mass voter (it must be said that the majority of blocs and parties are very far from objective on this point);

— the presence of a strong charismatic leader who has been well known for quite a long time (and without having been discredited in any way) at federal level, and who is also skilled in exploiting the fickle sympathies of the mass voter and — no less important — the even more capricious sympathies of the mass media;

— the existence of a fairly simple bloc program that is comprehensible and accessible to the mass voter and meets his expectations, and that is couched in the form of striking ideas and catchy, memorable slogans that consequently easily gain popularity; these must, among other things, be appropriate to the personal and public image of the bloc leader;

— the existence — not only centrally, but locally, as well (in the regions) — of a well organized and methodically trained party apparatus and a support team that is not racked by internal conflicts and is capable of relaying effectively the ideas and slogans on offer.

If these elementary evaluation criteria are applied, it is easy to observe that the present diversity of today's Russian political area is largely only apparent, and the main reason for its illusory overcrowding lies not so much in irreconcilable differences as in the excessive ambition of the contenders for sole leadership who are the numerous founder-leaders of almost indistinguishable and equally numerous parties and movements, or to be even more precise, in the absence of real (appropriate to Russia's dimensions) reformers of genius who could be objectively recognized as such by leaders of "lower rank." At the same time, if the aforementioned criteria are applied, it is possible far more objectively to define what kind of future a given bloc, party, or movement has, taking into account the political spectrum within which it is going to operate.

In order to give a more objective picture, in each of the groups of parties and movements identified, we will also mention the leaders of that part of the political spectrum and the outsiders who "play in the same field."

Liberal Reformist Forces

Regrettable as it may be, after three years of reforms it is the small parties on the liberal reformist wing that are most patently outsiders in the present Russian political spectrum, and that tells us quite a lot. This group is the largest, the most easily recognized and differentiated. The main reason for their growing outsider status lies in the steady fall in the rating of the well-known and formerly almost the sole leader of these increasingly disparate forces, and the consequences of shock therapy in their totality (including the drastic decline in living standards, unemployment, crime, etc.) which are associated in the public consciousness with the name of Yegor Gaydar. Additional negative factors for this group are the inconsistency on the question of Chechnya, which has not been forgotten; a series of notorious splits and departures; and the existence (in addition to the Gaydar bloc) within this part of the spectrum of two more leading contenders who are relatively popular with the same section of the electorate (some 20 percent of all potential voters) — Grigoriy Yavlinskiy's "Yabloko" bloc and Boris Fedorov's "Forward, Russia!"

In view of the fact that the electorate that is oriented toward this field consists mainly of the inhabitants of big cities and a section of the intelligentsia and representatives of the private sector of the economy, mainly aged under 40, among whom the polling turnout has always been very low, all the other movements and blocs playing in this field have the most minimal chances of success (naturally, there can be no question of victory). The situation is also complicated by the very evident financial problems of small liberal reformist associations. Among the numerous outsiders in this spectrum, one can single out a few of the relatively recognizable ones, in particular the "Democratic Russia" bloc (G. Yakunin, V. Novodvorskaya), O. Kalugin's "Federal Democratic Movement," I. Khakamada's "Common Cause," and P. Filippov's "89" bloc. Many of those who head these movements are, with good reason, associated with the term "yesterday's leaders," involved in...and consequently responsible for the present situation in the state and the economy. In a number of cases a rather prominent personal image and a relatively high personal rating (as in the case of I. Khakamada) in no way compensates for the lack of regional structures.

Nomenklatura Modernizing Forces

The entire spectrum of nomenklatura forces is really represented by only one (and an only relatively political) force — the "party of power" — the "Russia Is Our Home" movement, which, even in the absence of rivals, can be assessed as "well and truly mediocre." Having no ground-breaking ideas or even (by virtue of its affiliation to the existing system of power) sufficient grounds or moral right to put any such ideas "into play" before the election, and — even more significant — having, in effect, no clearly identified electorate of its own, this movement could collect a certain number (even quite

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a significant number) of votes thanks to a single factor (other things being equal, of course) — the pragmatic and predictable figure of Victor Chernomyrdin, and also thanks to the program — which may be verbose but is in the main accessible and desirable to many — of this bloc, which has these words on its banner: stability and progress without upheavals.

Social Democratic Forces

The social democratic spectrum has weaknesses that are in some ways similar, but different in principle, to those of the liberal reformists, and these are in part objective and in part subjective in nature. In general the idea of social democracy in Russia has certainly gained sufficient maturity to win over the mass voter, and its adherents are perhaps the most numerous and are present in every social stratum, but in the majority of cases they are not yet...aware that they oelong to the ranks of committed social democrats. As a result the present situation is that the political parties and movements in this spectrum (which — headed by A.N. Yakovlev — correctly divine the political future) are the most numerous and at the same time laughably small in numbers and the least popular among the population. Nor is there any strong charismatic individual among them who could win over the voters. Therefore the votes of voters committed to social democracy will most likely be scattered among a great many blocs and associations and are hardly likely to be represented (in a manner that in any way adequately reflects the voters' real sentiments) in parliament (and they may not be represented at all, in a repeat of the situation in the last State Duma elections).

There will most likely be a happy exception to this in the case of specific parties in this spectrum such as "Women of Russia" and the Agrarians, whose success can already be predicted on the basis of social demographic, rather than sociopolitical, factors.

It seems a very real possibility that the entire spectrum of social democratic movements could become one big outsider: from its leaders, the blocs of Ivan Rybkin and the "Trade Unions and Industrialists of Russia...," down to the "Democratic Party of Russia" and Svyatoslav Fedorov's "Party of Working People's Self-Government."

Communist Forces

These are represented by the most stable, oldest, and most disciplined electorate, and that in itself is extremely significant. The potential number of committed supporters is estimated at 15-20 percent of voters. Despite the gradually increasing confusion in this sector, it still has its clear favorite — the Communist Party of the Russian Federation [CPRF] led by G. Zyuganov, who will most likely collect the vast majority of votes from this section of voters. All the other communist parties — V. Tyulkin and V. Anpilov's bloc "Communists-Working Russia-For the Soviet Union"; Ch. Mlynnik's "Union of Communists" association — do not have leaders who are at all up to the present situation, and furthermore they are either too radical to have any serious hope of victory, or else, like N. Ryzhkov's and S. Baburin's "Power to the People!" bloc, they are completely loyal to the CPRF and if necessary are prepared to yield to their more powerful rival cum partner.

National Patriotic Forces

These are ideologically the strongest and the best suited to the present state of the public consciousness. Their potential electorate is currently estimated at 15-20 percent, but by December they could gain still more "weight," since national patriotic ideas (prompted by the actual historical situation) are becoming increasingly popular among all social strata. And naturally, it is in this part of the spectrum that we find a bloc that is an undoubted favorite, and with a leader who has real charisma. This is the "Congress of Russian Communities," which would be better described as the bloc led by A. Lebed, in alliance with the uncharismatic but highly experienced Yu. Skokov. On this same playing field, the still popular V. Zhirinovskiy (LDPR) [Liberal Democratic Party of Russia] and A. Rutskoy ("Derzhava"), who has long since been relegated by public opinion to the eternal reserves' bench, are being crowded out. All the other associations and parties in this part of the spectrum are already rank outsiders. There is not a single strong, socially magnetic, or even popular personality among them, and, probably aware of this by no means minor shortcoming, they try to compensate for it with extreme nationalism and radicalism, something that does have its supporters in society, but their numbers are extremely insignificant. The majority of this group of outsiders do not have developed regional structures or serious financial support. Among the more or less well-known, one can mention A. Sterligov's "Union of Patriots," N. Lysenko's National Republican Party of Russia, and the People's National Party. The names of the others evoke no associations in the electorate at all.

In conclusion it should be noted that, for obvious reasons, this analysis does not cover a number of new and in most cases all too insignificant parties and movements, and a number of old ones that are, however, equally lacking in influence, and whose chances of any success at all are not simply minimal, but manifestly nil.

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Neighbors Differ Over Closer CIS Ties

MM0510110495 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Oct 95 p 6

[Feature comprising reports by Olga Musafirova from Kiev, Igor Sinyakevich from Minsk, and Yevgeniya Dotsuk from Almaty and editorial postscript under the "Focus on Political Processes in the CIS" rubric: "The 'Friendship Fountain' Is Empty. Only Lukashenka Is Gushing. How Neighbors and Fellow Citizens Viewed the Belarusian President's Idea of Signing a New Federation Treaty"]

[FBIS Translated Text] Kiev — I have before me an interesting document. It is not for the broad masses. The Ukrainian Foreign Ministry expounds to President Leonid Kuchma the essence of Boris Yeltsin's 14 September edict "On Approving the Russian Federation's Strategic Course With the CIS Member States" and gives him a preliminary assessment of Ukraine's foreign policy interests.

What is stated right off? I quote: "...Russia has no intention of building its relations in accordance with the norms of international law" and is also "outlining ways and possibilities to interfere in the internal affairs of CIS countries." The document points out that such a thing is possible, above all, by means of "ideological pressure on the near abroad by Russian television and radio broadcasting and support for pushing the Russian press into that region."

The Ukrainian Foreign Ministry believes that the "course" openly sets the objective of securing Russian domination of the CIS, while the Commonwealth, which under Yeltsin's plan is to become an influential international organization, presupposes "the elimination from the international arena of all the CIS states as independent subjects of people's right [narodnoye pravo]."

How does Ukraine respond? Above all, it opposes giving the CIS the status of a subject of international law with all the attendant consequences. This is why it is not a party to the Commonwealth countries' Collective Security Treaty and rejects attempts to draw it into a military alliance either within or outside the CIS framework.

Second, the Ukrainian side is sure that in the sphere of economic cooperation the Russian Federation intends to use the integration processes within the CIS framework exclusively to achieve certain aims of its own foreign policy course.

It is perfectly possible that the attempts made earlier to proclaim the Ukrainian state totally bankrupt and, accordingly, to demand payment in property from the persistent debtor will be carried out in the following areas. The "Gazprom" Russian Joint-Stock Company will submit claims for the handover of the system of main gas pipelines and gas storage tanks and will demand that the remaining debts are cleared by means of a controlling package of shares in enterprises in key sectors of industry, as well as in nonproduction property projects claimed by the Russian Federation (over 100 of them). The Ukrainian Foreign Ministry believes that Russia might also submit claims to Ukrainian subjects of management — the legal heirs to part of the property of the former USSR abroad.

Proceeding from the aforesaid, the foreign policy department advises President Kuchma to work out a strategy for Ukraine's economic security without delay. Its main components must be an assessment of the critically permissible indicator of foreign economic dependence and the elaboration of a modified program of cooperation with the Russian Federation, where this cannot be avoided, in the form of multinational production companies. But the most important thing is that Ukraine must without delay commence active work to find and unite Commonwealth states whose views on the CIS and on Russian policy are close to Ukraine's.

It is not hard to find a definition of the cold kind of relations now taking shape between Russia and Ukraine. At least, no one in Kiev is asking any longer when, finally, Boris Yeltsin will visit the Ukrainian capital and sign the interstate Treaty of Friendship and Cooperation. Instead, there is an increasingly strong feeling that the "elder brother" is not at all averse to teaching the Little Russia province a good lesson....

Minsk — BELORUSSKAYA DELOVAYA GAZETA has reported that the text of the Belarusian president's address to the people, which he intends to deliver if the plans to create a confederation meet with support from the Russian leadership, has already been prepared. Although Moscow has accepted these plans for consideration, so far it has done so without special enthusiasm.

Defense Minister Pavel Grachev and Federal Security Service head Mikhail Barsukov flew urgently to Sochi on the eve of Yeltsin's meeting with Lukashenka. Clearly, they uprooted themselves not just to discuss the second stage of the customs union with Belarus. The absurdity of the official version of Lukashenka's visit is obvious. Questions such as the customs union are not resolved in a perfunctory manner. They require careful preparation at the level of experts — which did not happen. In addition, Lukashenka was accompanied on his trip by the aforementioned [as published] Vladimir Zametalin and Ivan Titenkov, the president's administrator

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of affairs, whose sphere of competence is far removed from the economy.

The official explanation of the reasons for the Kiev visit sounds still more absurd: "A discussion of the progress in realizing the accords reached earlier." Did that justify flying off as if there were a fire?! But Leonid Kuchma accepted the rules of the game. Since the confederation is now called "the second stage of the customs union," the Ukrainian president made it clear that Kiev does not agree even to the first stage. But this reaction was obvious even prior to Lukashenka's visit. The Belarusian president was most likely trying to assuage Kiev's reaction to the possible unification of Belarus and Russia.

The Russian leadership, however, is hardly seriously seeking the two countries' unification, which promises more problems than achievements. The "Belarus card" is most likely being played in a pre-election game with the patriots or in a diplomatic game with the West. In their all-consuming desire for integration the Belarusian leaders take too serious a view of these games.

It is obvious that Kiev, Moscow, and Minsk take different attitudes to the idea of a Slavic union, and the swan, the crab, and the pike will hardly be able to pull this cart in the same direction. Unless by chance the vectors of the crab and the pike coincide....

Almaty — A. Lukashenka's sudden initiative to unite the Slavs does not arouse enthusiasm in Kazakhstan. No official statements have yet been forthcoming from President Nazarbayev. But he has certainly been stung by the strange haste of the Belarusians, who are seeking thereby to resolve painful integration problems which do not only concern the three Slavic countries and for which Nazarbayev himself has tirelessly lobbied in the post-Soviet area ever since Belovezhskaya Forest.

Nazarbayev was discussing the integration topic with Kuchma in Almaty a few days ago. Both agreed that the common market must be reinstated. At the very first meeting of the CIS countries Nazarbayev intends to raise the question of simplifying the citizenship procedure for all inhabitants of the former Soviet republics. Kuchma confirmed the importance of all these questions, declaring that "Nursultan Nazarbayev's opinion is very important to Ukraine, particularly in connection with the processes occurring within the CIS." There was no discussion of any unions on racial grounds at the meeting in Almaty.

Nazarbayev has already repeatedly voiced his opinion that no union on ethnic or religious grounds has any prospects. Such moves are neither civilized nor proper. This applies to both Muslim and Slav attempts to take such steps.

According to information from Dulat Kuanyshev, the president's press secretary, N. Nazarbayev will comment on the situation regarding the "Slavic three" if Lukashenka's intentions take any concrete material form.

As the Issue Was Going To Print

Yesterday the Federation Council adopted a statement on the expediency of holding a Russian Federation referendum "On the Question of Deepening the Economic and Political Integration of Russia and Belarus." The deputies appealed to the president, the State Duma, the government, and also parties and public organizations to support the holding of a referendum on this question.

The deputies recalled that in their 14 May referendum 85 percent of voters in Belarus supported President Alyaksandr Lukashenka's policy aimed at integration with Russia. The neighboring republic has repeatedly confirmed its readiness for closer relations with Russia. The Russian legislators believe that the time has come to take a step in its direction.

ITAR-TASS Carries Press Review for 6 Oct

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["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, October 6 (Itar-Tass) — ROSSIYSKIYE VESTI on the need for a legal reform.

Russian Presidential aide Mikhail Krasnov has said in an exclusive interview with the newspaper that the meaning of such a reform "is not so much in bringing into being a lot of new laws as in replacing one legal system by another. A system which must triumph is the one intended for political and economic freedom".

Krasnov mentioned such drawbacks of the current legal system as "the lack of responsibility for non-observance of laws and the lack of a normative basis to monitor the activities of the Subjects of the Federation". A new legal system is called upon to counteract a "criminalisation of power", Krasnov said.

KRASNAYA ZVEZDA on the need for democratic elections in Chechnya.

Democratic elections in Chechnya are unlikely to be held this year, Russia's Security Council Secretary Oleg Lobov has pointed out in an exclusive interview with the newspaper. Lobov said "it would be better to hold

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elections in Chechnya sometime after the December elections to the State Duma of Russia". At the same time Lobov emphasised that "the elections in Chechnya can be democratic only if there are no unlawful armed formations in the region". He described the current disarmament process in Chechnya as "unsatisfactory".

IZVESTIYA on problems of Russian agriculture.

The newspaper frontpages an article which, on the strength of the example of the life of semi-ruined farmer Viktor Chumak in Penza and his farm — once one of the most powerful individually-operated farms in Russia — shows the plight of individual farmers in Russia. "Chumak is being ruined by politicians who do not give land to the people" is the headline of the article.

IZVESTIYA on Russia's draft new Penal Code turned down by the Federation Council.

The newspaper's analyst Yuriy Feofanov comes out in support of Russia's Federation Council who turned down the State Duma-adopted draft new Penal Code. The analyst points out that the new Penal Code is lacking the mention of crimes, particularly those that have become rampant in the sphere of business in recent years.

The bulk of economic crimes and crimes against the individuals (contract killings, racketeering and kidnapping) are not reckoned among grave or particularly grave crimes in the new Code, Feofanov notes.

The issue of surrogate shares and MMM tickets, the cashing in of criminally earned money, and its transfer to foreign banks have also remained outside the application of the Code. Besides, the news Code envisions a milder punishment for business frauds, which are most painful for millions of people, Feofanov laments.

RABOCHAYA TRIBUNA on the consumption of vodka and beer in Russia.

The monthly per capita consumption of vodka and beer by people in Russia is six bottles of vodka and 15 bottles of beer. Seventy-seven per cent of the adult population in Russia consume alcoholic drinks from time to time, 10 per cent of people are inveterate drunkers, 5 per cent are chrocnic alcoholics, and only 8 percent are total abstainers, the newspaper points out.

NEZAVISIMAYA GAZETA on sale of ships.

Andrey Kokoshin, Russia's First Deputy Minister of Defence, in an exclusive interview with the newspaper, has denied the TV information about the sale of the air-capable ship Admiral Gorshkov to India.

At the same time the Deputy Minister confirmed that the Rosvooruzheniye Company does sell submarines on the international market. This is a State-authorised action, he pointed out. The Deputy Minister confirmed that several anti-submarine cruisers had been decommissioned in Russia because their maintenance and modernisation are more expensive than building new ships.

"It will be possible to speak about prospects for the Russian Navy only when it will get decent financing," Kokoshin pointed out. He said Russia has fourth-generation ship designs in the works and has available first-class technologies. The defence sector is prepared to work.

Touching upon the concept for the uses of the Russian Navy, Kokoshin singled out three areas: deterrence and safe naval activities, national influence and economic safety in the world ocean, timely defence and action to repulse aggression.

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'Text' of Yeltsin Statement on Cease-Fire in Bosnia

LD0510202395 Moscow ITAR-TASS World Service in Russian 1943 GMT 5 Oct 95

[FBIS Translated Text] Moscow, 5 Oct (ITAR-TASS) — Russian President Boris Yeltsin today issued a statement regarding the cease-fire agreement in Bosnia. Below is the text of the document, which was distributed by the presidential press service:

"Russia continues to be strongly in favor of a political settlement in Bosnia-Herzegovina. The key issue now is an immediate truce throughout all of Bosnia. And it is on this that Russia has been recently focusing its efforts. This is what I called on Presidents S. Milosevic and A. Izetbegovic to do in my messages to them.

"Now that a truce agreement has been reached, the main thing is to scrupulously observe it.

"Peace is of course impossible without normalization of life in Sarajevo and other regions of Bosnia. Guided by the humanitarian goal of helping the friendly nations in this long-suffering country, the president of Russia has decided to resume the supply of Russian gas to Bosnia-Herzegovina.

"I proceed from the fact that our decision will become a specific and major contribution to an agreement on an immediate ceasefire throughout all of Bosnia-Herzegovina. That will be a major new step toward peace, which should be followed by the lifting of sanctions and the resumption of trade and economic links between the FRY and other countries, which in turn would help accelerate a peace settlement in all of Yugoslavia."

Moscow Reacts to Latest NATO Air Raids Against Serbs

Foreign Ministry Urges Restraint

LD0610070295 Moscow INTERFAX in English 0128 GMT 6 Oct 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Oct 5 (Interfax) — Moscow expressed "deep concern" on Thursday over reported new air strikes by NATO against Serb radars.

"NATO is taking this action at a moment when the conflicting sides, with the active participation of international mediators, are finally close to reaching an agreement to cease fire and to peacefully untie the intricate Bosnian knot," the Russian Foreign Ministry said in a statement made available to Interfax.

The ministry urged "everybody to refrain from any military action."

"Now that the chances to achieve peace are as great as never before, the negotiation process in Bosnia-Herzegovina must not be allowed to be torpedoed," the statement said.

NATO Using 'Any Excuse' To Strike

LD0610065095 Moscow INTERFAX in English 0127 GMT 6 Oct 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Oct 5 (Interfax) — Moscow is carefully studying the circumstances connected with the use of NATO aircraft against Bosnian Serbs.

"Our reaction will be made public when all details have been analysed," a senior member of Russia's Foreign Ministry told Interfax on Thursday.

According to NATO, on Wednesday its planes destroyed two Bosnian Serb anti-aircraft installations, when the installations had spotted them. Spokesmen for NATO also made it clear that this action did not signify a resumption of large-scale air strikes against Bosnian Serbs.

"There is an impression that NATO uses any excuse to find fault with the Bosnian Serbs," the high-ranking source in Russia's Foreign Ministry told Interfax.

According to him, "in Bosnia NATO pursues the carrot and stick policy." Only the stick is used solely toward the Serbs, while the carrot toward Moslems and Croats, whose offensive on Bosnian Serbs' positions did not entail NATO bomb strikes," the source pointed out.

Ivanov Condemns 'Irresponsible' Strikes

LD0510141595 Moscow ITAR-TASS World Service in Russian 1320 GMT 5 Oct 95

[By ITAR-TASS correspondents Ivan Ivanov, Vladimir Suprun, and Valeriy Sevryukov]

[FBIS Translated Text] Belgrade, 5 October (ITAR-TASS) — Russia's attitude to the fresh bombing of Serb facilities in Bosnia-Herzegovina on 4 October is "an extremely negative one," Igor Ivanov, first deputy minister of foreign affairs of the Russian Federation, stated to Russian journalists today.

"The irresponsible actions of NATO aviation can only complicate the work currently being carried out by many countries and international organizations to find ways of achieving a political settlement to the crisis in Bosnia," the Russian diplomat stated. He added that the world community should give instructions to the NATO

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command to restrain from unsanctioned actions against the Bosnian Serbs.

It is known that NATO aircraft made three air strikes on Serb anti-aircraft installations on 4 October in western Bosnia and south of Sarajevo. The NATO command has explained that the strikes were carried out in the context of "self-defense," since the NATO fighters were allegedly "detected" by Serb anti-aircraft radar.

Ivanov stressed that at a meeting with the wider participation of representatives of the countries engaged in the "Contact Group" for a Bosnian settlement, which is to start this evening in Rome, Russia "will not ignore" the fresh NATO strikes, nor the offensives being made by the Muslims against the Serbs on many sections of the front.

Ivanov Optimistic After Karadzic, Milosevic Talks

LD0510154195 Moscow ITAR-TASS in English 1524 GMT 5 Oct 95

[By Ivan Ivanov, Vladimir Suprun, and Valeriy Sevryukov]

[FBIS Transcribed Text] BELGRADE, October 5 (Itar-Tass) — Russia's first deputy foreign minister Igor Ivanov is confident that an agreement on an end to hostilities between Bosnian Serbs and the Moslem-Croat coalition in Bosnia and Herzegovina will be signed soon.

The Russian diplomat told Russian journalists in Belgrade his confidence arose in the course of his talks within one day with President of Serbia Slobodan Milosevic and President of the Bosnian Serb republic Radovan Karadzic.

As concerns his impressions from a meeting with Karadzic, Ivanov said the Serb side expressed readiness to agree to certain compromise solutions in order to secure the signing of a ceasefire agreement. The Russian diplomat said the Serbs are ready to unblock Sarajevo and open to traffic the road linking the Moslem part of the Bosnian capital with the Gorazde enclave, and remove all obstacles to the delivery of essentials, water, electricity and natural gas to Sarajevo.

On supplies of Russian natural gas to Bosnia-Herzegovina, Ivanov recalled that the problem was considered during the recent Moscow talks between Russian Prime Minister Viktor Chernomyrdin and Moslem Premier Haris Silajdzic. Russia conditioned the resumption of gas supplies on the Moslem leadership's agreement to a ceasefire and on unimpeded supplies of gas to both Moslem and Serb parts of Bosnia-Herzegovina.

Responding to a question about Russia's attitude to the introduction of NATO troops in Bosnia-Herzegovina, Ivanov declared that Russia "is against this being a 100 percent NATO operation." "We think that only multinational forces should be deployed in Bosnia," he stressed and added that a number of non-NATO countries had already expressed readiness to take part in such forces, including Russia, Ukraine and Sweden.

Grachev Comments on Future Military Presence in FRY

LD0510201795 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 5 Oct 95

[From the "Vremya" newscast]

[FBIS Translated Text] What shape will the international military presence in the former Yugoslavia take after a peace agreement is concluded? There are many options. Russian Defense Minister Pavel Grachev put forward his option today.

[Begin Grachev recording] Coalition peacekeeping forces might be created with the participation of NATO countries, Russia, and a third party — all states that want to ensure peace in the near future, especially the states on the border of Yugoslavia, the states whose fate depends, to some extent, on the situation in Yugoslavia. [end recording]

On the instructions of the Russian president, Pavel Grachev leaves for Switzerland on 7 October to meet U.S. Defense Secretary William Perry. The problem of settling the Bosnian conflict will be the main subject of their discussion. So Russia's new initiatives will come just at the right moment.

Ministry Criticizes Muslim Actions Near Sarajevo

LD0510164095 Moscow ITAR-TASS World Service in Russian 1433 GMT 5 Oct 95

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Translated Text] Moscow, 5 Oct (ITAR-TASS) — The unleashing of military actions in the vicinity of Sarajevo by the authorities of Bosnia-Herzegovina poses a threat to the efforts undertaken in recent months within the Contact Group to achieve a peaceful settlement of the conflict. The Muslim side has thereby grossly broken its promises and discredited the guarantees given to international mediators. This was stated today by Grigoriy Karasin, director of the Russian Foreign Ministry's Press and Information Department, at his briefing.

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The Russian Foreign Ministry's official spokesman expressed concern at this development right at a time when "for the first time throughout the years of conflict a real prospect of a settlement is discernible." "The absence of an appropriate response to the Muslim side's actions," he emphasized, "could have grave consequences for the peace process, since the Serbs have repeatedly stated that they will take decisive action in the event of Muslim attacks near Sarajevo."

The Russian diplomat noted that Moscow had repeatedly drawn attention to the Bosnian authorities' open attempts to profit from the so-called "impartial" peacekeeping operation and in particular NATO's bombardments. The present events near Sarajevo, he said, are a logical continuation of the Muslim authorities' line, which is "directed at forcibly redrawing the plan for a territorial settlement." In this connection, Karasin went on to say, the Russian side again draws attention to the methods whereby the NATO-UN memorandum was drawn up and concluded without its knowledge. As a result of this "fundamental changes in the balance of forces had occurred" in the conflict zone and this in turn "is at odds with the principles and tasks of the peacekeeping operation being carried out."

Russia condemns the combat actions and demands their immediate cessation, the Russian Foreign Ministry spokesman stated. He recalled that at Russia's initiative a meeting of permanent representatives of the contact group countries had been specially convened in New York on Wednesday [4 October] and the issue had been raised of the need for the UN Security Council to react urgently to the Bosnian army's shelling of Serb positions near Sarajevo. The Security Council supported Russia's position and this was reflected in a statement by its chairman.

Moscow Favors Peaceful Settlement in East Slavonia

LD0510191595 Moscow INTERFAX in English 1636 GMT 5 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 5 (Interfax) — Russia resolutely stands for the peaceful political settlement of problems in ex-Yugoslavia, and in East Slavonia in particular, Foreign Ministry spokesman Grigoriy Karasin told a Thursday briefing in Moscow.

According to him, the Croatian authorities and Serbs in East Slavonia adopted a document after their talks last Tuesday on the key principles of settlement. They set a transitional period during which government bodies would be formed in East Slavonia, Barania and West Srem under the auspices of the UN Security Council. The new power structures would represent the interests of both Zagreb and local Serbs.

Karasin stressed that Moscow regards the process as part of general efforts to improve Serbian-Croat relations.

The talks on a final agreement will continue in Zagreb next Monday.

Ready To Withdraw Peacekeepers

LD0610065595 Moscow INTERFAX in English 0127 GMT 5 Oct 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Oct 5 (Interfax) — Russia is ready to pull out its peacekeepers from East Slavonia (the only Serb-dominated part of Croatia which is not under Zagreb's control — IF), if such an agreement is reached between the local Serbs and Croatia, a senior Russian diplomat told Interfax Thursday.

He said the UNPROFOR [UN Protection Force] would remain there until its current mandate expired on November 30.

The diplomat said that agreement on the principles of a gradual reintegration of East Slavonia into Croatia reached by the two sides on Tuesday would in no way affect the substance of the UN peacekeeping operation in the region.

However, he did not say whether the Russian and Belgian contingents of the UN force would remain in East Slavonia after the deadline of November 30.

The diplomat said it was up to Croats and Serbs to decide on the timing and ways of implementing the transitional phase and whether or not the UN force must stay put over the period.

But he said that a new Security Council resolution would be needed for extending UN presence in the region.

The official said at the talks last Tuesday Zagreb and local Serbs accepted as principal the Croatian plan of a settlement. There is no 100% guarantee that the plan will work, he felt.

"If one of the sides feels that the other is dragging out time, the peace process can be undermined once again," the official said.

Grigoriy Karasin, foreign ministry spokesman, told a briefing in Moscow Thursday that Russia consistently supported peace settlement in former Yugoslavia, including Eastern Slavonia. He was commenting on the results of talks between the Croatian authorities and local Serbs in Erdut (Eastern Slavonia) on October 3.

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Karasin said the two sides adopted a document defining the basic principles of a future agreement on Eastern Slavonia, Baranja and Western Srem. The U.N. security Council will supervise the formation of bodies of power in this region during a transition period. The bodies will include both Croatian and Serb officials.

The diplomat said an international peacekeeping force will be deployed in the region for the transition period. The region itself will be demilitarized. "Conditions for the repatriation of refugees will be created. International observers will monitor this process. Once the transition period expires, local elections will be organized," he added.

Moscow regards this process as part of common efforts to settle Serb-Croatian relations, Karasin said.

The talks will resume in Zagreb on October 9.

Reaction to Reports of NATO Suspending Expansion

News Called 'Ambiguous'

LD0510180095 Moscow INTERFAX in English 1641 GMT 5 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 5 (Interfax) — Deputy Foreign Minister Nikolay Afanasyevskiy said it would be premature to comment on news reports that the NATO defense ministers had decided to suspend the eastward enlargement until 1997.

Afanasyevskiy told Interfax that Moscow has not received any official documents on this.

Furthermore, Afanasyevskiy said, the news reports are ambiguous.

Afanasyevskiy said that NATO could decide to suspend either the discussion of enlargement or the admission of new members. "Until now, however, 1997 has not been mentioned as the year when new members will join NATO," he said.

Foreign Ministry's spokesman Grigoriy Karasin said at a briefing Thursday that Moscow is carefully studying the reports.

"We will wait for tangible results and would like to have this issue out of the agenda, not just postponed," Karasin emphasized.

Karasin said that Polish President Lech Walesa's remarks that his country is prepared to station NATO's nuclear weapons "will not pass unnoticed."

"One should not overlook the numerous statements of Russian Foreign Ministry officials that the NATO enlargement is a sensitive issue because it has to do with Russia's strategic security," Karasin said.

"This will remain a priority issue for us," Karasin concluded.

General Gromov Expresses Doubts

LD0610084195 Moscow INTERFAX in English 0103 GMT 6 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 5 (Interfax) — The Russian foreign minister's advisor on military issues, Deputy Foreign Minister, General Boris Gromov said he did not believe Western media reports saying that the defense ministers of the NATO member-states had decided to suspend the alliance's expansion eastward until 1997.

Gromov told Interfax in an interview today that "this is mere talk but God let it be the truth. Their (NATO's — IF) plans concern only enlargement."

Gromov said he believed that Russia "should categorically oppose these plans."

Gromov said the situation was becoming more complicated because "after having rejected our friends and allies for various reasons, we remain alone." "Even our next-to-us brothers from Ukraine don't support us on this issue," he said.

Gromov is also a leader of the My Fatherland electoral bloc.

Chernomyrdin Pays Official Visit to Canada

Speaks at Airport Before Departing

LD0410170695 Moscow Russian Public Television First Channel Network in Russian 1500 GMT 4 Oct 95

[From the "Novosti" newscast presented by Tatyana Komarova]

[FBIS Translated Text] Prime Minister Viktor Chernomyrdin flew to Canada today. He gave another interview at the airport.

[Correspondent Sergey Omelchenko] Before flying out, the chairman of the Russian Government replied to numerous questions from journalists. Apart from problems of domestic issues and Russian-Canadian relations, there were questions that are symptomatic of turning points in the life of the country. Have relations between the prime minister and the president changed recently, and is there not a change in the government's course?

[Begin recording] [Chernomyrdin] Some people find benefit in this, saying that the country is in a state of turbulence. I have to tell you this, nothing has come between us, does not and will not come between us.

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Whatever some people may try to say, nothing will come between us, I repeat. That is quite out of the question and the course will not change. We do not need to change the course, only to improve it. Yes, I can tell you today that there have been many mistakes and some things we have not been able to do. These are the things we have to work on.

[Unidentified correspondent] You are eye-to-eye with the president on this?

[Chernomyrdin] Absolutely.

[Omelchenko] In connection with the elections and the creation of the Russia Is Our Home bloc, do you, Viktor Stepanovich, intend to stand for president?

[Chernomyrdin] No, I have not planned to nor am I going to. I have no intention of doing so. [end recording]

Addresses Joint Economic Commission

LD0510205695 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 5 Oct 95

[Report over video by correspondent Nikolay Ivanov; from the "Novosti" newscast]

[FBIS Translated Text] Russian Government Chairman [Prime Minister] Viktor Chernomyrdin has arrived on an official visit to Canada. He is attending the founding conference of the Russian-Canadian intergovernmental economic commission in Ottawa.

[Ivanov] Gentlemen do not reach agreement twice — this phrase from the speech by Viktor Chernomyrdin, chairman of the Russian Government, at the opening of the first session of the Russian-Canadian economic commission in Ottawa was much to the liking of his Canadian partners at the talks. Similarly, they liked the prime minister's joke that he and Canadian Prime Minister Jean Chretien will not "prohibit" the members of the joint commission to triple, rather than double as expected, Russian-Canadian turnover by the year 2000. It looks as if, with the signing of the agreement on avoiding double taxation, a new period began in economic cooperation between Russia and Canada. After the signing the Russian prime minister outlined the spheres of this cooperation.

[Begin Chernomyrdin recording] In the first place, we have good cooperation in the field of oil and gas. We intend to continue our cooperation in this field in the future. We have great opportunities and desire to cooperate in science-related fields, the agro-industrial complex, processing industries, forestry, in anything that refers to fisheries, anything that concerns our adjacent territories in the north and in the Arctic. I am confident that we will also cooperate in the use of the northern shipping way. I am confident that we will cooperate in the field of nuclear power engineering. [end recording]

[Ivanov] Chernomyrdin also said that he did not know of any instances of Canadian companies being banished from the Russian market. He gave assurances to the Canadian side that he intended to help in every possible way in the implementation of concrete economic projects with Canada.

The heads of the Russian and Canadian Governments have agreed to double in the next five years the turnover between the two countries. This was the main result of the first day of the Russian-Canadian talks.

Views Foreign Investment, Trade

LD0610101195 Moscow ITAR-TASS in English 0847 GMT 6 Oct 95

[By Gennadiy Yezhov and Nikolay Setunskiy]

[FBIS Transcribed Text] OTTAWA October 6 (Itar-Tass) — Russia's domestic legislation concerning the activities of foreign investors is being developed and improved. Work in this respect still remains a major task of the government of the Russian Federation, Prime Minister Viktor Chernomyrdin said here on Thursday in his remarks at the opening of the first session of the Russo-Canadian Inter-Governmental Economic Commission. The session was also attended by Canadian Prime Minister Jean Chretien.

The principle of according national treatment to foreign investors is being consistently developed in Russia, Chernomyrdin said. Additional privileges are granted in a number of cases. By way of example, the Russian Premier recalled that Russia does not levy customs duties on the import of property in the form of contributions to the charter funds of joint ventures with foreign capital. The export and import of commodities and services by enteprises with foreign capital are carried out without any restrictions, he said.

The Russian Premier believes that these and other measures make it possible already now to revitalise investment processes in Russia. "The economic reform, which is being effected in our country, anti-inflation policy, budget deficit cuts, privatisation, and the development of the stock market — all contribute to creating a more favourable investment climate," the Premier said.

Chernomyrdin is of the opinion that "this is expected to have a positive effect on the growth of Russo-Canadian trade turnover" and that there are all grounds for that. It must be recalled that Chernomyrdin and M. Chretien on Tuursday announced the two countries' intention to

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double trade turnover between them in the coming five years.

There will be more grounds in Russia for a rise in trade turnover and an increase in Canadian investments as the economic recovery process intensifies, the Russian Premier said.

Wishing the Commission successes in its work, Chernomyrdin said that no one prevents the Commission members from securing that trade turnover between the two countries treble by the turn of the century.

M. Chretien, for his part, pointed out ample opportunities for cooperation between Russia and Canada in the mining, timber and other industries. The two Premiers declared in favour of developing economic cooperation between the two countries in high-technology fields.

Sides Examine Economic Ties, Bosnia Issue

LD0610093995 Moscow Russian Public Television First Channel Network in Russian 0600 GMT 6 Oct 95

[From the "Novosti" newscast]

[FBIS Translated Text] The visit to Canada by Russian Prime Minister Viktor Chernomyrdin is continuing. We have just received a report from our special correspondent in Ottawa: [video shows correspondent Nikolay Ivanov standing in street speaking to camera]

[Ivanov] During the visit to Canada by the head of the Russian Government, concrete form has been given to the area of mutual economic cooperation. Russia today has an interest in Canadian investment, while Canada is interested in the creation of new jobs through joint projects with our country. So a plan for stimulating Canadian exports to Russia is being discussed in Ottawa today, including deliveries of equipment for the fuel and energy complex, equipment for the processing of farm produce, and a housing project for areas in the Far North of Russia.

During his conversations with Viktor Chernomyrdin, Canadian Prime Minister Jean Chretien also broached political problems. Since Canada, like Russia, is participating in a settlement for the former Yugoslavia, the situation in Bosnia was examined by the sides in some detail. Viktor Chernomyrdin declared that peace should reign in Bosnia, but its achievement is only possible in one way, through negotiation. [video shows Chernomyrdin shaking hands with dignitaries, addressing a meeting and a news conference]

It is extremely interesting that Viktor Chernomyrdin's visit is taking place on the eve of the referendum in Canada on the sovereignty of the French-speaking province of Quebec, scheduled for the end of October. Since similar processes of secession are taking place in some regions of Russia, the Russian prime minister's opinion is of interest to many Canadians. Viktor Chernomyrdin stressed that the Canadians will handle that problem by themselves. We have good relations with your country, and they will become even better but we want to deal with a united Canada, the premier stated.

There is a saying to the effect that, in business, the Canadians are always first after the first, referring to the country's great economic potential and Canadians' traditional caution over the choice of a partner. But many people here today think that the old saying will soon disappear from the local vocabulary, because during the Russian prime minister's visit agreements on expanding economic cooperation between Russia and Canada were fully confirmed.

Talks, Agreements Detailed

LD0510215195 Moscow ITAR-TASS in English 2140 GMT 5 Oct 95

[By Gennadiy Yezhov and Nikolay Setunskiy]

[FBIS Transcribed Text] OTTAWA, October 6 (Itar-Tass) — "Russia and Canada have set themselves the task to double the trade turnover between the two countries in the next five years," Russian Prime Minister Viktor Chernomyrdin, who is currently in Canada on an official visit, and Canadian Prime Minister Jean Chretien said upon completion of bilateral talks.

At present, the trade turnover between Russia and Canada has been estimated at 500 million dollars.

On Thursday, Russia and Canada signed an agreement to avoid double taxation and tax evasion. The agreement was signed by Russian Vice-Premier Aleksandr Zaveryukha and Canadian Foreign Trade Minister Roy MacLaren.

Asked by Itar-Tass about particular areas in which Russia and Canada intend to expand cooperation, Chernomyrdin said the two sides will develop concrete projects in the area of oil and gas industries, cooperation in scientific projects, agrarian and industrial sectors, processing and timber processing industries and fishing.

The Russian prime minister said that the two sides are planning to work together on a comprehensive range of problems connected with the development of the Northern territories. The sides discussed a possibility of Canada using the Northern Sea route provided proper control is ensured, and the expansion of contacts in the nuclear industry.

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During the talks, which continued over one hour, apart from Russian-Canadian relations, the two sides discussed important international issues. Talking to journalists, the Russian prime minister confirmed Russia's stance, saying that the conflict in the former Yugoslavia must be settled at the negotiating table only.

Touching upon a possibility of the withdrawal of U.N. peace-keeping forces from Bosnia and Herzegovina, Chernomyrdin said that Russia was prepared to do everything possible to ensure the safe withdrawal of these forces.

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Political Issues

'Interesting Developments' in U.S. Embassy Shelling

LD0510173095 Moscow INTERFAX in English 1643 GMT 5 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 5 (Interfax) — "Interesting developments" have emerged in investigations into the firing of a grenade thrower at the American Embassy in Moscow on September 13, a senior member of the office of Moscow City Prosecutor told Interfax.

An unidentified criminal discharged a grenade thrower at the American Embassy at 16:25 on September 13, slightly damaging the building. The office of Moscow City Prosecutor launched legal proceedings under Article 213-3 (terrorism) of Russia's Criminal Code.

According to the spokesman, in the near future investigators may contact people with whom they will be able to work closely. As he said, "interesting facts, such as evidence left by the criminal on the scene of the crime," give rise to hope. Unlike some other complicated cases, this one "is not hopeless," he pointed out.

Yeltsin Meets Federation Council Chairman Shumeyko

LD0610114495 Moscow ITAR-TASS World Service in Russian 1055 GMT 6 Oct 95

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 6 Oct (ITAR-TASS) — Russian President Boris Yeltsin and Federation Council Chairman Vladimir Shumeyko had their regular meeting in the Kremlin today. Yuriy Algunov, head of the Federation Council's press center, informed journalists that during an hour-long conversation issues relating to elections to the State Duma and the formation of the Federation Council and also some issues of personnel and financial and budget policy were discussed.

The speaker of the upper house of the parliament told the president about deputies' reaction to the draft federal budget for next year, which they discussed at their first sitting of the fall session. Shumeyko stressed that the regions' representatives said that the law on the budget should more fully reflect the principles of federalism and believed that the budget should create preconditions for accelerating the country's economic development, for increasing the economic independence of the components of the Federation, and for raising the population's standard of living.

FSB Reshuffle Seen as Barsukov-Driven Purge

MK0510140495 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 4 Oct 95 p 1

[Report by Aleksandr Khinshteyn: "Goodbye, Lubyanka! Purges in the FSB Are Becoming a Good Tradition"]

[FBIS Translated Text] Cadre reshuffles in the Russian Federal Security Service (FSB) continue to pick up pace.

This time Anatoliy Krayushkin, chief of the FSB Registration and Archives Directorate, has lost his job. As MOSKOVSKIY KOMSOMOLETS managed to find out, he was dismissed at the end of last week for "failure to organize the work properly." The FSB Public Relations Center, predictably, made no comment on this resignation. Since Barsukov's appointment, procedures for dealing with the press have changed drastically, and now to obtain any information you have to seek informal sources.

According to these sources, the cause for Krayushkin's dismissal was the recent arrest of three officers from his directorate on charges of illegally issuing of visas. Furthermore, although the position of Lubyanka's "main keeper of the archives" is not a key one (the directorate's functions include handling the archives and checking up on citizens going abroad), the purge from the Service of long-entrenched seniors, which Barsukov has launched so vigorously, is also well in evidence.

Lieutenant General Anatoliy Krayushkin had been the head of the Registration and Archives Directorate (formerly the 10th Department of the USSR KGB) for some four years, living through all the MBVD-MB-FSK-FSB upheavals and a whole number of ministers/directors. He "broke down" only under Barsukov.

It will be recalled that shortly before him two other FSB Collegium members were dismissed on General Barsukov's initiative: Lieutenant General Anatoliy Semenov, chief of the Antiterrorist Directorate; and Colonel General Igor Mezhakov, deputy director. According to rumor circulating within the Service, next in line for dismissal is Colonel General Aleksey Molyakov, chief of the Military Counterintelligence Directorate. He was supposed to have been pensioned off back in September, but the move was delayed for unknown reasons.

We shall wait....

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V. Kovalev, Tuykov Top Candidates for Prosecutor

MK0510140295 Moscow NEZAVISIMAYA GAZETA in Russian 5 Oct 95 p 2

[Unattributed "NG" report: "Mass Media Select General Prosecutor"]

[FBIS Translated Text] While Acting Prosecutor General Aleksey Ilyushenko is on his annual (and, likely, the last in this position) leave, discussion is going on in the media about possible candidates to take this post. Official sources prefer for the time being to refrain from comment on this subject. In the meantime, two main candidates have figured so far as the most likely successors to Mr. Ilyushenko: Justice Minister Valentin Kovalev and Sverdlovsk Oblast Prosecutor Vladislav Tuykov. Staffers, as always, want to see a professional in this post. The hopes of investigators and prosecutors are not likely to come true. The president will hardly care to repeat the embarrassing resignation story of [Former General Prosecutor] Aleksey Kazannik, who refused to be subservient to the authorities.

All-People's Movement Urges Ban on All Parties

MK0510140395 Moscow NEZAVISIMAYA GAZETA in Russian 4 Oct 95 p 2

[Report by Yekaterina Deynego: "In Favor of Banning All Russian Parties"]

[FBIS Translated Text] The Russian All-People's Movement (ROD) called at its news conference yesterday for all political parties to be banned on Russian soil. The ROD includes the Union of Officers "For the Revival of the Fatherland," the Union of Cossack Troops, units of the Union of Afghanistan Soldiers, and a number of other organizations. In the view of the movement's leaders, what Russia currently needs most is a spiritual revival "through people power and the spiritual unification of the church and state." It was announced at the news conference that an Assembly of Russia's Peoples will be held 6-7 October in Rostov-na-Donu, which will discuss the problem of the Russian nation's survival.

Media Issues

Electricity Cut to 40 Radio Centers for Unpaid Debts

LD0510142295 Moscow INTERFAX in English 1115 GMT 5 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 5 (Interfax) — The wage debt to communications workers causes social tensions in work collectives, said Deputy Russian Communications Minister Mikhail Yelizarov on Thursday, addressing the 10th plenary meeting of the central committee of Russia's communications workers' trade union in the Moskovskiy state-owned farm near Moscow.

Yelizarov said that due to unpaid services to 112 communications enterprises which are responsible for transmitting TV and radio programs all over the country, their debt now amounts to 613 billion rubles.

As a result, electricity supplies have been cut off for 40 radio transmission centers in the Chita, Novosibirsk, Moscow, Leningrad, Kaliningrad, Samara, Amur regions and the Khabarovsk Territory.

TV and radio companies owe the ministry over 1.5 trillion rubles in taxes and other payments.

Yelizarov said that in 1994 tariffs for transmitting TV and radio programs established by the Russian government, were increased by more than 25%, and in 1995 they remained unchanged. At the same time, over the period the price for electric energy increased more than 10 times and the prices for spare and complete parts 20 times and more.

To overcome the acute financial crisis, the plenary meeting of the communication workers' trade union sent a message to the Russian government demanding the repayment of the wage debt before October 15 and recommending that communications enterprises suspend services for those TV and radio companies which have more than four-month debts.

'Text' of Decree on ROSSIYSKAYA FEDERATSIYA

MM0510144095 Moscow ROSSIYSKAYA GAZETA in Russian 3 Oct 95 p 3

[Russian Federation Government Decree No. 939, signed by Russian Federation Government Chairman V. Chernomyrdin in Moscow on 19 September: "Questions Concerning the Editorial Board of the Journal ROSSIYSKAYA FEDERATSIYA"]

[FBIS Translated Text] The Russian Federation Government resolves:

1. To hereby ratify the attached Charter of the editorial board of the journal ROSSIYSKAYA FEDERATSIYA, which was adopted at an assembly of the journalists' collective.

2. To approve a draft contract between the Russian Federation Government and the editorial board of the journal ROSSIYSKAYA FEDERATSIYA (enclosed) (Footnote) (not published).

3. To instruct Russian Federation Minister V.S. Babishev, leader of the Russian Federation Government apparatus, to sign the contract with the editorial board of

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the journal ROSSIYSKAYA FEDERATSIYA on the government's behalf.

4. In elaborating drafts of the federal budget the Russian Federation Ministry of Finances is to provide for resources to the Russian Federation Committee for the Press [as published] to fund the expenses of the journal ROSSIYSKAYA FEDERATSIYA in accordance with the contract mentioned in Point Two of this decree.

5. The Russian Federation State Committee for the Management of State Property is to formally register in ROSSIYSKAYA FEDERATSIYA's name according to the established procedure the offices and production premises necessary for the production and publication of this journal.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

Military & Space Issues

Defense Minister Comments on Defense Doctrine

LD0510222295 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 5 Oct 95

[From the "Vremya" newscast]

[FBIS Translated Text] Russian Defense Minister Pavel Grachev made a number of basic statements today concerning the work of his department and Russia's defense doctrine. He was speaking at a ceremony on the presentation of credentials on behalf of the Russian president to representatives of veterans' organizations for participation in the victory parade.

In Pavel Grachev's opinion, the law which has been adopted on defense and the strength of the Army, which comprises 1 percent of the population of the country, in no way corresponds to the size of Russia's borders, although this figure has been taken in analogy with European countries.

[Begin Grachev recording] So, it turns out that in our country, for one kilometer of border, even with an army of 1,700,000 men, the figure would be 28 servicemen for one kilometer. Take the comparison with China — 86 men; the United States — 62, in my opinion; let's continue, Germany — 77 men; well, let's take big countries like these; Great Britain ...[pauses] France — 79. So, is this decision a fair one? It seems that the advantage is more than threefold. And the military people here realize that with a threefold advantage troops can attack successfully in any direction. [end recording]

Representatives of the corps of deputies are also concerned about the strength of the army today. Military call-up has been increased to two years, and this will also apply to conscripts who have been fighting in Chechnya. But the defense minister did not speak about this question today, sending journalists to Colonel General Zherebtsov, who is responsible in the general staff for mobilization.

[Begin Zherebtsov recording] The defense minister now has an order awaiting his signature to the effect that in hot spots personnel who have served six months are to be replaced, to continue their service in areas inside the country. [end recording]

Meanwhile, the situation in Chechnya, in the defense minister's opinion, is getting worse.

[Begin Grachev recording] The negotiating process, I would like to say bluntly, is proceeding not only slowly but, I would say, unsuccessfully. And this is confirmed by various sources. Today I have just received data showing that the negotiating process is a tactical trick to build up additional forces, weapons, and equipment. According to figures which we possess today, about 6,000 members of illegal armed formations are virtually ready for action. They are again armed with 12 tanks and 16 armored transports and combat vehicles. That is, a process is under way of building up and storing in base regions in the foothills and in depots various equipment, munitions, and foodstuffs in order, with the start of the fogs in late autumn and early winter, we believe there could be an increase in combat actions against the federal forces. Well, if not on the scale, of course, of December and so on in 1994-95, then at least on a scale that would require certain efforts by the power- wielding ministries to prevent further bloodshed. [end recording]

Defense Ministry Aide Views Budget Inadequacies

MM0510112995 Moscow KRASNAYA ZVEZDA in Russian 4 Oct 95 pp 1-2

[Interview with Colonel General Vasiliy Vorobyev, chief of the Russian Federation Defense Ministry Military Budget and Funding Main Directorate, by Ivan Ivanyuk; place and date not given: "Budget-96: When Approving Defense Expenditure the Bitter Lessons of This Year Must Be Taken Into Account"]

[FBIS Translated Text] The government has submitted the draft federal budget for 1996 to the State Duma. Practically all those who have to submit findings or make an expert assessment of it have already familiarized themselves with this 900-page document. It would seem that there is nothing to stop parliamentarians starting to examine next year's budget in the very near future.

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An event which in previous times might have provoked only yawns among the reading public is today meeting with unconcealed interest. In the last two years we have all been graphically persuaded of how sharply the life of the Armed Forces can be changed by the will expressed by the people's elected representatives. Will the new budget bring changes for the better, and what can servicemen expect after it is adopted?

The editors asked Colonel General Vasiliy Vorobyev to answer these and other questions.

[Ivanyuk] Vasiliy Vasilyevich, what sums for military expenditure have been included in the budget for 1996?

[Vorobyev] The draft federal budget for 1996 envisages national defense spending of 78.9 trillion rubles [R], including a R77.1 trillion Defense Ministry estimate. Is this a little or a lot? If you compare it with U.S. military expenditure, as was the accepted practice for long time, it is very little. At the official exchange rate this sum converts to $20 billion. For comparison, in America next year it is planned to allocate $91 billion for troop combat training and material and technical provision alone. There will be another $66 billion to maintain servicemen, around $49 billion to purchase weapons and military equipment, $34.5 billion for research and development, and so forth. While there will be an overall reduction in defense expenditure, the U.S. draft military budget incorporates an increase in appropriations for combat training and social programs. In particular, more money will be allocated for housing construction and there is built-in provision for indexation of servicemen's pay, which makes it possible to maintain the attractiveness and prestige of military service in society and ensure an inflow of highly skilled experts into the Army. Even a simple comparison of the above sums with the draft Russian military budget for 1996 makes it possible to picture the kind of level of tasks which will be performed in the near future by the American Armed Forces and the level performed by ours.

[Ivanyuk] Some people might say: Do we now need to compete with the Americans since our country's economy is in decline and this cannot be disregarded...?

[Vorobyev] I am convinced that we definitely have to compare our military potential with the potential of the world's leading countries if we want Russia's voice to be heeded in the world arena. As for parity with the United States, even during the economically most favorable years the Soviet Union attempted to achieve this by asymmetric methods. The arms race and a return to the Cold War are irrelevant to us now, but nobody should doubt Russia's power and might. We have a considerable number of orators, unfortunately, who accuse the Defense Ministry of immoderate appetites and a desire to extract some ridiculous sums from the federal budget. But this is absurd. We drew up our applications both last year and this on the basis of the minimum requirements of the Army and Navy and calculated them in accordance with the Russian Federation Finance Ministry's methodology. I have repeated more than once that this is the only way — by the method of direct calculation — that defense expenditure should be determined. After all, if the Armed Forces have a strictly defined number of servicemen, maintaining them requires a completely specific amount of money, clothing and equipment, and food. So, if you apply this iron logic to our calculations — with which the Finance Ministry has always agreed, incidentally — the military budget for next year should a minimum of 50 percent higher than the sum submitted to the Duma, or it will be even more difficult to maintain the Army and Navy in a combat-capable state.

[Ivanyuk] Where did the government get the figure of R78.9 trillion?

[Vorobyev] It was all done in accordance with the defective practice used for shaping this year's budget — the so-called current baseline method. This year's budget plan approved by the Law "On the Federal Budget for 1995" is taken as the basis for calculation and then multiplied by some factor derived from the macroeconomics forecast of the development of the economy for 1996. Take the old figure of R50 trillion, multiply by 1.6, and we get R80 trillion. That's the system. What is it impossible to agree with here? First, only one of the possible scenarios for the country's economic development is taken and used to determine the budget coefficients. But what if there are deviations from this scenario? This year has graphically shown the perils of this. When initially planning appropriations for 1995 the Finance Ministry set an uprating coefficient of 34 percent. Whereas in fact prices in just the first half of the year rose by 123 percent for machine building output, 137 percent for fuel industry output, 129 percent for chemical and petrochemical industry output, and 105 percent for food industry output. In the first four months of the year alone armor increased in price by 130-140 percent in comparison with the previous year, engineering equipment by 160 percent, and so forth. Prices are continuing to rise to this day. When planning national defense expenditure for 1996, therefore, for a start the base figures should have been adjusted to take account of the inflation level and rises in wholesale prices and construction costs predicted through the end of 1995, and the 1996 budget coefficients applied to them.

You don't need to be a top analyst to realize that another reason why the 1995 military budget cannot

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serve as a baseline for calculation is that it does not ensure the elementary survival of the Armed Forces. Let's take clothing and equipment as an example. R4.8 trillion was needed to pay for these items this year, but only R1.6 trillion was allocated. As a result the troops have received only one-fifth of their requirement for some items of uniform, one- fourth of their requirement for others, and half their requirement — no more — for others. Parade uniforms, special protective clothing, sports equipment, and individual items of cold-weather uniform have stopped being produced and provided to personnel, and carry-over stocks and reserves have been exhausted. Surely it is unthinkable to take this kind of situation as the norm and the baseline for calculation and then apply some kind of coefficient — probably understated, too — to it. It can already be said quite definitely that the money stipulated in the draft 1996 budget for clothing and equipment will only be enough to buy boots. So it is being suggested that soldiers should go around naked and officers should switch to civilian clothes? This is what happens if you proceed not from real life but from some kind of abstract intellectual construct.

[Ivanyuk] Yet defense expenditure's share of the gross domestic product [GDP] is a pretty stringent criterion — albeit too general, maybe — which cannot be disregarded.

[Vorobyev] What can you say? The draft federal budget for next year designates an increase in this figure from 3.22 to 3.76 percent. But the prediction of inflationary processes in current conditions is extremely unreliable — this year alone shows this. So assessing military expenditure on the basis of GDP can only be a secondary criterion. The figures for the correlation between defense expenditure and the total sum of income and expenditure from the consolidated financial balance sheet for the Russian Federation are much more precise and objective. That comparison gives a completely different picture, namely a considerable reduction in proportional national defense spending — from 5.5 percent of GDP in 1995 to 3.76 percent in 1996. Nor must it be forgotten that in practice there is currently no mechanism offering protection against inflation and as a result real military expenditure turns out to be considerable higher than planned. But there should be such a protection mechanism because what this means in practice is savings on the Army, and over the last several years, moreover.

There is one other question here. Many federal budget variables are traditionally based on an estimate of Defense Ministry expenditure, but there is essentially no justification for this. Take servicemen's pensions, for example. Yes, the mechanism for designating and paying them pensions is and should be the Defense Ministry's responsibility. But this very entry in the budget in fact distorts the military budget picture; it would be more logical to find a place for it in the social policy section. Likewise appropriations for the maintenance of general and boarding schools, children's establishments, officers' clubs, sanatoriums, rest homes, and so forth have an extremely tenuous connection to military spending. All these things are also the social needs of servicemen and members of their families, who are as much citizens of our country as everybody else. More than 60 percent of military budget spending is social in one way or another. So if we are to stick stringently to a percentage of GDP all components of military expenditure should be reviewed in the light of their actual content.

[Ivanyuk] It seems to me that there is a realization in both the Russian Federation Government and the State Duma that the Armed Forces are underfunded. But it difficult for people far removed from the Army to make a professional judgment about the military budget. Take the old complaint about its "restricted" nature....

[Vorobyev] This is not a new idea. It was advanced last year and this by State Duma Defense Committee Chairman Sergey Nikolayevich Yushenkov. To this day he claims, in particular, that this year's military budget contains 18 unrestricted entries. But in fact there are 126, subdivided into 1,500 types of expenditure. Everything in the Army budget is documented, from pencils and loofahs to aircraft, artillery systems, and missile complexes. But those who do not like the current procedure are suggesting in their proposals something completely different — rigidly prescribing in law all sums, even the most trivial, for the entire year. This would have some point if the budget met the Army's needs 100 percent. But when the law approves 50-75 percent less than is needed, tough restrictions would only deprive the defense minister of the possibility of redistributing money if necessary to where it is most needed at the given moment, without bringing any other benefits.

What happened to the Armed Forces' food provision this year, for example? A funded, "protected" sum of R1.7 trillion was allocated, which was way out of line with the real needs of the Army and Navy. As a result by 1 September the money under this budget entry had run out, so there was no provision in law for feeding the soldiers. The debt for food received but not paid for as of 1 October totaled R1.1 trillion. The shortfall under this entry, allowing for the need for seasonal procurement of vegetables, totaled R2.3 trillion.

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The pay and allowances situation is similar. The law on the federal budget for 1995 stipulated the allocation for this purpose of R9.8 trillion allowing for indexation. R7.1 trillion was spent in January-August. Leaving R2.7 trillion, when in practice R10.5 trillion will be needed by the end of the year. So everybody is now having to rack his brains over how to pay wages and allowances after 1 November. So let everyone understand correctly: I am not against openness in the military budget; it has long been opened up. This is why I can talk — possibly in even too much detail — about all its details and features in a newspaper. It is just that there must be a sensible approach to everything, not the substitution of political slogans for real work. The law could divide the extremely inadequate defense budget for 1996 into 500 entries, of course, but as of January-February it would be a nonexistent law. Everyone, starting with the president, would spend the whole year trying to find the money for one thing after another, although this should be controlled within the framework of the budget by the defense minister, as the Law on Defense stipulates.

[Ivanyuk] Vasiliy Vasilyevich, you have touched on a very sensitive issue, relating to pay and allowances. Delays of a month or more in paying them have unfortunately become the rule in the Armed Forces. To this day the question of indexing salary rates in connection with increases in the size of the minimum wage has not been resolved. What is the Defense Ministry doing in this connection and what does the coming year have in store for us?

A terrible situation is taking shape here, of course. As is known, in order to bring Armed Forces servicemen's pay and allowances into line with the level obtaining in other power structures government decree No. 1349 on additional measures for the social protection of servicemen and members of their families was adopted on 7 December 1995. Under this decree the defense minister was granted the right to introduce increments to servicemen's salary rates, in particular for complexity and intensiveness of work. But some people are now criticizing us for this in the belief that a covert indexation of pay and allowances was carried out. The increments should have been introduced out of internal reserves, they say. But what if there are no reserves, if the Defense Ministry is on the financial breadline? Should the government decree not be fulfilled? But how would you explain that to the servicemen? Indexation of their pay and allowances has been effected only once this year — as of 1 April — although the minimum wage, on which the pay of men in uniform is based, has been increased three times: as of 1 April, 1 May, and 1 August. The law on servicemen's status incorporates the following provision: For basic military posts the rate of pay of soldiers and seaman serving under contract should not be less than five times the minimum wage, and the rate for a military rank should be not less than half the rate for the military post. Proceeding from this, salary rates should be increased 106 percent right now. The Finance Ministry is threatening to "slash" this figure to 28 percent, which is indisputably a gross violation of the law and will in no way lessen the social tension in troop collectives.

I would like to stress that when funding for the payment of wages and allowances is delayed it gives rise to possible rumors that this money is "in the mill" somewhere and making more money for somebody. We financial officers unjustifiably get it in the neck too. I therefore state hand on heart that we carefully track the transfer of money. The bulk of soldiers are served by field banks. The occasional delays which do occur happen only where units use commercial banks for cash services. Tough measures are taken on each such delay. The reason for the nonpayment on time of allowances and wages lies elsewhere — in extremely inadequate funding. Judge for yourself: On 3 October the Ministry of Defense received only 16 percent of the quota prescribed for September. People are constantly waiting for money, and when it arrives in a district, fleet, or combined unit account this immediately becomes known in all garrisons and military units.

If you look at the draft budget for 1996 the prospects in terms of pay and allowances are even gloomier. If you proceed from even the average for May 1995 and don't even think about indexation, even then the planned total appropriations will only be enough for the first nine months of 1996. The picture is slightly better for Armed Forces civilian personnel — the money will run out two weeks later. It would be nice to believe that State Duma deputies will have the patience and responsibility to analyze these and other alarming figures and make appropriate adjustments to the draft federal budget.

[Ivanyuk] Tell us what the picture looks like in terms of the country's defense capability and the Armed Forces' combat readiness — the things for which these forces exist.

[Vorobyev] A very great deal here is determined by purchases of arms and military equipment. The reduction in expenditure for these purposes this year has led to a situation where there is practically no series production of complex types of weaponry and military equipment, and the tiny amount of output has gotten immeasurably more expensive all the time. You see, the Defense Ministry now buys even aircraft, tanks, and artillery systems literally one or two at a time. The production capacity of enterprises producing artillery ammunition is extremely

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little-used. But there is a point, you see, beyond which production becomes loss- making or simply collapses. So what should you do in this kind of situation — shut production down? But if, for example, a ship repair yard operating as part of the Defense Ministry system "swallows up", say, R50 billion in a year, closing it down would cost at least 10 times that amount because of the losses it makes.

The experience of the leading world powers shows that the proportion of modern arms and military equipment should be at least 60-70 percent of the total and the Army must be constantly updated. But in our country this figure is declining catastrophically from year to year. The research and development situation is equally alarming. Many promising development projects and even entire sectors are being wound down and the putting into production of high-precision weapon systems is being delayed.

If we want to guarantee the country's security it is necessary to radically change the attitude taken toward this problem. Unfortunately, however, the draft funding scheme for next year will remain the same. A sum of R12.7 trillion has been earmarked for purchases of arms, military equipment, and property, which is half the acceptable minimum which would make it possible, if nothing more, to prevent the disintegration of unique production and scientific collectives and give military-industrial complex enterprises' capacities something to do. It is proposed that R5.8 trillion be spent on research and development. Even the sum requested by the Defense Ministry — twice as much — would make it possible only to fund at the lowest level only specified projects on the list of priority research and development work. As before, the decision adopted by the Russian president and the Security Council on allocating for research and development at least 10 percent of appropriations under the entry for "National Defense" is again being ignored. And if you take the graph for the last four years the reduction in funding is catastrophic — by six-sevenths for purchases of VViT [as published; possible misprint for ViVT, possibly meaning "arms and military equipment"] and 80 percent for research and development. All this could lead to the de facto destruction of the military-industrial complex.

The second component of defense capability is Army and Navy combat training. How can you even talk about this when there is a shortage of the most elementary thing — fuel. This year the Defense Ministry received slightly more than one-third of the sum it applied for to buy fuel. I try to cite as few figures as possible to avoid wearying the reader, but in this instance they are very instructive. Because of fuel shortages one-fourth of pilots are not now meeting their training norms and the average number of pilot flying hours is substantially below the norm.

[Ivanyuk] Vasiliy Vasilyevich, I would think that our readers will have gotten a pretty full and gloomy impression of what the Defense Ministry proposed for the draft federal budget for next year and what the government has approved. Do you have any constructive proposals to make in this situation?

[Vorobyev] If I was to give the simple answer — listen to what the experts — that is, military people — are saying — I don't think that would suit many people. Although this is precisely the crux of the matter. At the same time, in my view, the federal budget for 1996 must be approached from qualitatively new positions. Questions of shaping military expenditure must be examined as a priority since this is the most substantial item of federal budget expenditure and the well-being of a large number of people in the Armed Forces and the defense sectors of industry depend on it. As is known, an edict on the organizational development of the Armed Forces was signed recently which stipulates that all power structures will develop within the framework of a nationwide scheme. This extremely necessary and important work has already begun. The trouble is that it is being done only by experts — from presidential and government structures and the aforesaid power departments — while the draft budget for 1996 was prepared by completely different authors — from the Finance Ministry and the Ministry of Economics. To start with at least these two documents should be merged so that the reforms in the field of military organizational development get implemented rather than castles in the air being built on the shifting sand of inflationary expectations.

We all have to live within our means, of course. But economic problems must not be resolved at the expense of the Army. The Ministry of Finance and other economic bodies must first look for revenue, stimulate an upsurge in production, improve the tax system, and boost financial discipline. Even the Defense Ministry could participate in expanding the revenue side of the budget. We could attract more nonbudget funds and get involved more effectively in the sale of military property which is no longer needed. But here again everything comes down to taxes. If we are serious about this, everything that is done in the Armed Forces must be exempted from taxation, as is accepted practice throughout the world.

It is hard to predict how the discussion of the draft federal budget for 1996 will go. It would be nice to believe that it will be professional, constructive, and benevolent vis-a-vis the Army, which is the offspring

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of our entire society and about whose future nobody should be indifferent.

Cosmos-3M Carrier Rocket Launched From Plesetsk 6 Oct

LD0610052495 Moscow ITAR-TASS World Service in Russian 0335 GMT 6 Oct 95

[By ITAR-TASS freelance correspondent Viktor Gritsenko]

[FBIS Translated Text] Moscow, 6 Oct (ITAR-TASS) — A "Cosmos-3M" carrier rocket was launched today from the 132nd launching pad of the Plesetsk cosmodrome. It will place in orbit the latest satellite in the "Cosmos" series in the interests of Russia's Defense Ministry. The launch was carried out by Military Space Forces of the Russian Federation at 0623 Moscow time, the ITAR-TASS correspondent was told at the press center of the Military Space Forces.

Federal Assembly

Council Begins Considering 1996 Draft Budget

MM0510134295 Moscow ROSSIYSKAYA GAZETA in Russian 5 Oct 95 p 1

[Report by Anna Kozyreva: "Senators Ready to Agree. Federation Council Begins Discussion of Next Year's Draft Federal Budget"]

[FBIS Translated Text] The main question that Federation Council deputies discussed at the first session after the parliamentary recess was the situation regarding the preparation of the law "On the 1996 Federal Budget." Senators decided to dedicate a separate session to the discussion of this draft law and so far there have been a number of suggestions that work on this vital document should not be delayed by a single day.

Deputies took a positive view of the fact that for the first time in recent years the upper chamber has received the draft budget four months before the beginning of the budget year. This enables a detailed discussion of individual budget articles. The Federation Council considered this an important step in improving interaction between the parliament and the government.

In the deputies' opinion, however, the budget did not contain financial provision for a number of federal laws which have already been adopted, such as the laws "On Veterans" and "On Purchases and Supplies of Agricultural Produce, Raw Materials, and foodstuffs for the State Needs." The Federation Council members also highlighted the fact that there is a clear trend toward the underfunding of the sociocultural sphere.

The 1996 draft budget also enshrines the Russian economy's orientation toward mineral extraction. This could lead to the winding down of the high-technology and science-intensive sectors of production. Such a scheme will result in a loss of jobs in those sectors of the economy which used to have the highest employment level in our country — the defense industry and machine building above all.

Nikolay Gonchar, chairman of the Federation Council Committee for the Budget, Financial, Currency, and Credit Regulation, Money Supply, Taxation policy, and Customs Regulation, touched on the implementation of this year's budget during his speech on next year's budget. He stressed that the funding of restoration work in Chechnya is not currently envisaged in the 1995 budget law that has been adopted. Expenditure currently stands at 3 trillion rubles [R] and is set to rise by a further R2.3 trillion before the end of the year. But does it make sense to spend this much money if the gunmen have not been disarmed yet and the possibility remains that they will destroy the things that are rebuilt?

Nikolay Gonchar proposed that part of this money be used for the construction of housing for refugees from the Chechen Republic in Russia. The Federation Council also supported the request from the leaders of the regions to hold a conference in Moscow involving members of parliament and representatives of the Government and the local self-administration organs dedicated to the discussion of the draft federal law on the 1996 budget.

At the moment, however, the senators are confident that the Duma will reject the proposed draft budget and have already set up a conciliation commission to take part in the work on this document.

Deputies Reject Draft

LD0610095695 Moscow ITAR-TASS in English 0934 GMT 6 Oct 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, October 6 (ITAR-TASS) — Deputies of the Federation Council have not endorsed the draft budget referred to the Council by the government. In a resolution on this matter they pointed to a "considerable gap between the objectives set out in the presidential message to the Federal Assembly and in the guidelines for budget polices in 1996 and their real manifestation in targets of the draft federal budget for next year." Deputies said that "initial economic parameters on which the draft budget is based are unrealistic." This applies, above all, to the inflation rate and volume of revenues.

Commenting on the Federation Council's decision at the request of ITAR-TASS, Nikolay Gonchar, the chairman

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of the budgetary committee, said that the Council representing interests of subjects of the Federation cannot go along with the "ratio between the funds that remain in the regions and the sums amassed in the federal budget." For instance, revenues in the federal budget rose from 47 percent in 1994 to 49.4 percent for the next year. "While there is talks about greater federalism in the budget, ever more money is concentrated in the centre," Gonchar said.

Under the new rules, the budget will be refined by the government, the State Duma and the Federation Council. Previously the upper house was not involved in the preparatory stage for perfecting the budget. Gonchar believes the government should coordinate its proposals with the authorities of the Federation's subjects. The committee of the Federation Council will also be discussing the main targets of the budget with regions. Although the interests of all regions cannot be reflected in the budget, consideration to them should at least be given.

Deputies noted that there are constructive changes in the interactions of bodies of executive and legislative authorities. It was the first time that the government referred the draft budget to parliament four months before the end of the year.

The Federation Council suggested that the government work out a draft law on financing restoration work in Chechnya in the fourth quarter of this year and the whole of next year. The accounting chamber of the Russian Federation and committees of the Federation Council have been instructed to draft a law enhancing the government's responsibility for infringing legislation on the budget.

Council To Work Further on Its Own Formation

LD0510162995 Moscow ITAR-TASS World Service in Russian 0953 GMT 5 Oct 95

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 5 Oct (ITAR-TASS) — Federation Council deputies have come out in favor of continuing work on the law on their chamber's formation. They voted in support of an initiative by the Russian president on the creation of a trilateral working group to do additional work on the version of the law that was adopted by both chambers of the Federal Assembly but rejected by Boris Yeltsin. The members of the Federation Council set up their section of the conciliation commission without delay.

Since they failed to reach agreement after their latest discussion today on the wording of their appeal to the Constitutional Court for interpretation of the article in the constitution on the formation of the Federation Council, the chamber's deputies instructed the Federation Council committee for constitutional legislation to place all their proposals on this issue in one summary, which would be sent to the court. The chamber's chairman, Vladimir Shumeyko, and the deputy head of the committee, Yelena Misulina, have been charged with representing it at the Constitutional Court.

Federation Council Submits Law on Extending Powers

LD0510113495 Moscow ITAR-TASS in English 1033 GMT 5 Oct 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW October 5 (ITAR-TASS) — The Federation Council on Thursday decided to submit to the State Duma, as legislative initiative, a draft law which, in essence, extends the powers of the upper house of the present composition "until the first meeting of the Federation Council of the second composition opens."

Members of the upper house asked their colleagues in the lower house to discuss as priority the given draft law entitled "On the procedure of the functioning of the houses of the Federation Council during the forming of the Federation Council of the second composition and election of deputies of the State Duma."

The need to pass the law is motivated by the fact that after the Russian President turned down the law on forming the Federation Council, the future of the upper house of parliament is uncertain now that two and a half months remain to go before the expiry of its powers. Deputies of the upper house believe that the absence of the legislative basis will make the Federation Council illegitimate after December 1995 and will call in question lawmaking in Russia.

Shumeyko Expects To Remain in Federation Council

MK0510140595 Moscow SEGODNYA in Russian 4 Oct 95 p 1

[Unattributed SEGODNYA report: "Vladimir Shumeyko Expects To Remain Senator for a Long Time"]

[FBIS Translated Text] The Federation Council chairman told journalists yesterday that he expects to make his way into the chamber, although he is not head of any region, which, under the Constitution, is a precondition for doing so. Vladimir Shumeyko hopes to become one

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of the "representatives of the federal authorities in the Federation Council." The intention to appoint one was announced by President Yeltsin at a recent press conference. A similar position, the speaker expects, will be provided for in the law "On Forming the Federation Council" if "a corresponding compromise is reached" with the Duma.

Council Demands Obligations to Workers in North

LD0510165795 Moscow ITAR-TASS in English 1509 GMT 5 Oct 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW October 5 (Itar-Tass) — The Federation Council noted on Thursday that the Russian government should fulfill its obligations to people living and working in extreme north and in areas put on par with it. Deputies noted specifically that the government failed to ensure the fulfillment of provisions of the federal law on the 1995 federal budget as regards financing measures to deliver goods to the north. Less than 77 percent of the planned volume of oil products was delivered to northern regions by September 10. The delivery of coal amounted to only 63 percent of the plan, food 64 percent.

In this connection deputies proposed to the government and executive authorities of subjects of the federation to put things in order in supplying people in the north. They believe the government should demand that the Finance Ministry ensure, on coordination with federal bodies of the executive authorities, regular allocation of funds under the budget for the current year to render state support to goods delivery.

Deputies also believe there should be privileges in taxation and crediting for enterprises functioning in the north.

The work of the government in fulfilling the law "On state guarantees and compensation for people living and working in districts of extreme north" was found unsatisfactory. It was suggested that the government, when drafting the budget for next year, should determine the procedure for restoration of expenditures from the budget for actions envisaged by the law.

Sources should be defined for financing the expenditures for free-of-charge travel of pensioners for vacationing at least once every two years. Deputies believe there should be purpose-oriented financing from the budget of the facilities for the manufacture of products and marketing raw materials of communal economies of ethnic minorities of the north. The Federation Council recommended to the lower chamber to complete the work on the law on amendments and supplements to the law on state guarantees that was turned down by the President.

Duma's Yushenkov Slams Council Over Military Bill

LD0510203495 Moscow ITAR-TASS World Service in Russian 1110 GMT 5 Oct 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 5 Oct (ITAR-TASS) — Sergey Yushenkov, chairman of the Duma Defense Committee, considers the rejection by the Federation Council [FC] of the changes and additions to the bill "On conscription and military service," which were adopted by the Duma in July, to be "an absolutely irresponsible step on the part of the upper chamber." He said this today in an interview with an ITAR-TASS correspondent.

Speaking about the reasons for this assessment of the actions of the Federation Council, Yushenkov stressed that "this is a snub to military reform," because the Army is being retained in the same form as it was left to us from the USSR — that is, designed to conduct a large-scale war. Furthermore, the Duma committee chairman noted, this is an immense burden on the budget, since the upkeep of an additional 100,000 servicemen costs the same amount as budget expenditure on culture. Moreover, he said, the trend globally now is to make all-round cuts in the term of conscription.

Now, according to Yushenkov, we are, of course, trying to overturn the Federation Council's veto, but there is little likelihood of this since in July the bill was adopted by a small majority, and "there is no hope that we will get the two-thirds of the Duma, which we need to overturn the Federation Council's veto."

There is another way though, Yushenkov stressed. The Federation Council has violated the Constitution. It was obliged to examine the bill over the course of two weeks. At the same time the Duma committee chairman acknowledged that the Duma had earlier sent a similar request to the Constitutional Court [CC] on another bill, but the CC adopted a decision that the Federation Council should within two weeks merely adopt the bill adopted by the Duma for examination, and it could take as long as it likes to debate it. But, Yushenkov explained, this relates only to those laws that are obligatory for examination in the Federation Council, and since the senators had not examined similar amendments to the bill "On conscription and military service," adopted by the Duma on 7 April, and they

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had been sent straightaway to the president for signing, it then becomes clear that the July amendments to this bill, too, are not a prerogative of the Federation Council; "in other words, the Federation Council has violated the Constitution."

Meanwhile, Yushenkov said, our attempt to send the July amendments straightaway for signing by the president after the Federation Council had not examined them over a two-week period, did not succeed because the head of state quite rightly replied that he could not examine copies of the laws, and the original was in the Federation Council. "That, alas, is the procedure, and there is nothing one can do about it," the parliamentarian said. Therefore, Yushenkov noted, we are still trying to send an inquiry on this matter to the Constitutional Court or at least we will try and achieve a situation whereby servicemen who have served in "hot spots" serve 18 months.

Duma Fails To Override Veto on Sanctions Withdrawal

LD0610114895 Moscow ITAR-TASS in English 1126 GMT 6 Oct 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW October 6 (ITAR-TASS) — The State Duma, the lower house of the Russian Parliament, on Friday failed to override the Presidential veto on a bill passed earlier by the House about Russia's withdrawal from the internationl sanctions applied against the United Republic of Yugoslavia. The House members discussed the issue at a closed-doors meeting.

At the close of the Duma meeting, Sergey Yushenkov, chairman of the Duma Committee on Defence, told journalists that Deputy Foreign Minister Nikolay Afanasyevskiy told the MPs that as of now there is no mechanism for a withdrawal of any one country from sanctions if the application of sanctions involves several countries. A shortfall of about 50 votes did not allow the Duma to override the Presidential veto, Yushenkov said.

Zadornov Predicts Duma Rejection of 1996 Budget

LD0510144895 Moscow ITAR-TASS in English 1355 GMT 5 Oct 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, October 5 (ITAR-TASS) — The budget for 1996, which the Russian government has submitted to the State Duma for approval, will be rejected by the lower house of parliament unless major changes are made to it, Chairman of the house budget committee Mikhail Zadornov told a press conference here today.

The parliamentarians find unrealistic the government's forecast for the country's social and economic development next year and they disagree with a number of Cabinet proposals for taxation which completely overturn some of the laws adopted by the State Duma earlier to ease the tax burden, Zadornov said.

The committee chairman circulated his address to the Russian President calling on the head of state to enact the bills on changes and amendments to the laws "On banks and banking in the RSFSR" and "On the securities market."

The State Duma had promulgated the bills into law, but the President vetoed them.

Zadornov insisted that the laws need to be enacted the soonest possible as the Russian banking system is going through a deep crisis. The Russian commercial banks, including major, are short of resources and cannot replenish their assets independently. As a result, banking transactions are being delayed for five, seven or more days. The situation can lead to a collapse of a number of banks, not only small but also medium-sized and even big, Zadornov warned.

The situation on the securities market is directly related to the bank crisis, he said. For lack of clear-cut regulatory enactments, the securities market is turning into a field of all sorts of machinations, Zadornov cautioned.

The reasons for which these laws were vetoed "are far removed from the desire to create a normally functioning financial market in the country," Zadornov said. They reflect the bureaucrats' fear of losing a considerable area in which to exercise their "administrative zeal," he said.

Yasin Addresses Duma on 1996 Budget Bill

LD0510124995 Moscow ITAR-TASS in English 1143 GMT 5 Oct 95

[By Ivan Novikov]

[FBIS Transcribed Text] Moscow, October 5 (ITAR-TASS) — "The Russian Government does not entertain any illusions on railroading the 1996 budget bill through the legislature," Russian Economics Minister Yevgeniy Yasin said here at the State Duma (Russian parliament lower house).

Speaking at parliamentary hearings on the 1996 federal budget bill, he noted that "this question is not easily settled anywhere in the world".

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The minister called special attention of deputies to "economic substantiation of the government's calculations on the budget" and called on them to display constructive cooperation in its adoption.

Appraising prospects for the economic development of Russia, Yasin said: "We enter the phase of industrial stabilisation next year". According to the minister, this will be "only small progress".

However, the volume of the gross domestic product is to increase by two percent in 1996. "We proceed from a premise what is possible and not what we want", the minister stressed.

Turning to the problem of non-payments, Yasin noted that state wage debts are small, and they will be paid out. The minister sees solution of the problem in "stopping the accelerated growth of prices in fuelled power generation, on transport and in some other industries".

He said that this problem will be discussed at a meeting of representatives from the above industries in the Economics Ministry. However, he did not call the specific date of the meeting.

Yasin assured deputies that "a great part of the state debt to the defence complex" will be footed even by the end of the current year.

The minister noted that the government drafted a bill on restoring citizens' savings "lost at the start of economic reform". However, Yasin specified, the bill does not provide for simultaneous compensation of savings for all groups of population.

Compensations will be given, first of all, to senior citizens, the minister continued. The bill will be examined by the cabinet in the near future and then submitted to parliament, Yasin concluded.

Duma Discusses Priorities in Legislation

MM0510121595 Moscow ROSSIYSKIYE VESTI in Russian 5 Oct 95 p 1

[Report by Olga Burkaleva: "State Duma Will Adopt Laws According to Plan"]

[FBIS Translated Text] The State Duma began its work 4 October with a discussion of the priorities of legislative activity for the forthcoming fall session.

Representatives of the factions as a rule categorized as priorities those laws which are closest to their activity. The Agrarian Party representatives spoke of the land and the land code, Gaydar of economic laws, "Women of Russia" and Yavlinskiy of laws affecting the regulation of the social sphere. The opposition factions yet again expressed disagreement with the reforms course and suggested hearing the Russian Federation Government report on the execution of the 1995 budget for the past nine months. The Communists stated they would continue their activity to impeach the president.

But virtually all the speakers agreed that the priority for the session which has begun should be work on the federal budget for 1996, on the law on the procedure for forming the Federation council, on the law on the procedure and principles for the demarcation of responsibilities and powers between the federal organs of state power and the organs of state power of the Federation components, the land code, the second part of the civil code, the family code, and the bloc of social laws. In the speakers' opinion, draft laws previously adopted by the Duma at the first and second readings and laws rejected by the president or the Federation Council and the ratification of international treaties and agreements should also have priority examination.

This approach in principle coincides with the priority avenues of draft law activity outlined in the president's message to the Federal Assembly which cited among the priority laws 12 constitutional laws (only two have so far been adopted), laws devoted to the basic principles of the functioning of the court system and state building, including mutual relations between organs of state power and the organs of power of the federation components and of local self-management, and the reform of tax legislation. Here the message stresses the urgent need to coordinate legislative activity between the different branches of power at the early stage of preparation of draft laws and to apply the package principle for adopting laws.

Further Duma Criticism on 'Destructive' U.S. Bill

LD0410221695 Moscow INTERFAX in English 1802 GMT 4 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 4 (INTERFAX) — The Russian State Duma considers the draft law "On freedom of Cuba and democratic solidarity of 1995" (the so-called Helms-Burton Bill) as "a move running counter to international law and the standards for civilized relations between countries."

The Bill has been passed by the House of Representatives of the U.S. congress.

The State Duma, parliament's lower chamber, said in its statement adopted today that the House of Representatives-passed Bill toughened the U.S. embargo imposed on Cuba and provided for sanctions against countries and persons maintaining economic relations with Cuba as well as set some "requirements" to the future Cuban government.

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The State Duma said such an approach failed to correspond with the generally-recognized principle of non-interference into domestic affairs of countries and the rules of free international trade.

"Russia has built and will build its relations with Cuba, including economic ones, proceeding from its own national interests," the State Duma said. The Duma said Russia could not be dictated as to which policy to pursue towards other countries. The State Duma said the threat of sanctions might only "do damage to the development of normal relations between Russia and the U.S."

The State Duma said many countries, including the U.S.' allies, expressed their disagreement with the Bill "which confirms the bankruptcy of the policy aimed at isolating Cuba."

The State Duma voiced the hope that "this destructive Bill, which can seriously poison the atmosphere of international cooperation, will not be turned into a law in the U.S."

The State Duma adopted its statement unanimously with 286 votes "for," no votes "against" or abstentions.

Duma Faction Calls For Immunity Amendment Session

LD0610100495 Moscow INTERFAX in English 0103 GMT 6 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 5 (INTERFAX) — The Stability group in the Russian State Duma started campaigning Thursday for a plenary session of the chamber on a constitutional amendment stripping deputies of their immunity, its co-chairman Sergey Markidonov told INTERFAX.

He said the decision was prompted by numerous media reports that many of the potential candidates to the new Duma have a criminal record.

If an issue has the support of at least 90 deputies, it is automatically submitted for debate. An amendment to the constitution approved by a referendum on December 12, 1993 would require the support of at least two thirds in both houses of the Federal Assembly and at least two thirds of legislative assemblies of Federation members.

Regional Affairs

Tunnel Mine Explodes in Groznyy; Gen. Romanov Injured

Kulikov May Have Been Target

LD0610135395 Moscow ITAR-TASS World Service in Russian 1305 GMT 6 Oct 95

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 6 Oct (ITAR-TASS) — Lieutenant-General Anatoliy Romanov, commander of the group of federal forces in Chechnya, was injured today as a result of an explosion in Groznyy. ITAR-TASS was informed by Vladimir Vorozhtsov, head of the public relations center of Russia's Interior Ministry, that at 1230 today, the commander's motorcade was passing through an underpass near Minutka Square in the Chechen capital. At that moment, there was a powerful explosion. As a result of the blast, the armored personnel carrier leading the motorcade and the commander's car were damaged. Anatoliy Romanov was seriously injured and was sent urgently to the military hospital in Vladikavkaz. The nature of his injuries has not been disclosed.

Among the servicemen travelling in the motorcade there are dead and injured.

Vladimir Vorozhtsov, who returned from Chechnya last night, did not rule out, in a conversation with an ITAR-TASS correspondent, the possibility that the terrorist act committed today was prepared against Russia's Interior Minister Anatoliy Kulikov. The minister was originally scheduled to be still in Groznyy today, but he flew to Moscow earlier than originally planned.

Condition 'Serious'; Successor Discussed

LD0610144995 Moscow ITAR-TASS in English 1432 GMT 6 Oct 95

[FBIS Transcribed Text] MOSCOW October 6 (ITAR-TASS) — The Russian Interior Ministry has convened an emergency meeting of its leadership to discuss the situation in Chechnya in connection with the bomb attack on the commander of the Russian federal forces in Chechnya, Anatoliy Romanov.

General Anatoliy Romanov was badly wounded in a bomb blast in Groznyy at 12.30 Moscow time on Friday, a spokesman for the Russian Interior Ministry told TASS today. The general was rushed to a hospital in Vladikavkaz, capital of the neighbouring North Ossetia and, according to the latest reports from Vladikavkaz, is in serious condition.

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The leadership of the Russian Interior Ministry did not rule out that a new commander might be appointed, if, for reasons of health, Anatoliy Romanov would be unable to do his duties as the commander of the federal forces in Chechnya.

Sources in Groznyy said the fatal bomb was detonated when several vehicles, including a bus with civilians, an APC and Romanov's jeep, had entered a tunnel under Groznyy's Minutka Square at 12:30 today. The explosion killed or wounded several people, including an aide to the commander, the source said.

Today's explosion in Groznyy was "clearly pre-planned by persons who aimed to disrupt the peace process in the Chechen republic," an official representative of the Russian President's press service told ITAR-TASS today.

According to the presidential press service official, "the forces standing to lose from the restoration of law and order and the attainment of the final settlement in the Chechen republic were behind that act of provocation."

Anatoliy Romanov, 47, was born in the Bashkir village of Mikhaylovka and joined the forces in 1967. He graduated from the Dzerzhinskiy higher command school in Saratov in 1972 and then made his way from a platoon commander to deputy commander of Russia's interior troops, his latest assignment.

Romanov taught classes in a higher command school for some time before taking a course in the Academy of the General Staff of the Russian Armed Forces. He graduated in 1991.

Romanov was deputy commander of the country's interior troops from 1993 to July 1995, when he was appointed Deputy Interior Minister of the Russian Federation and Commander of the Federal troops in the Chechen republic.

Prior to that appointment he commanded a contingent of troops in one of the sectors of the Chechen republic in the capacity of a deputy commander of the federal forces in Chechnya.

Officers who served with him are reported to respect Romanov as a top-class professional in charge of the elite units of the Interior troops, a good organiser and dedicated athlete.

Among the top distinctions received by Romanov for his service were the Orders of the Red Star, For Personal Courage, and For Military Merits.

Further Chechnya Reportage; Military, Negotiations

Grachev on Chechen Peace Negotiations

LD0610082395 Moscow Russian Television Network in Russian 1400 GMT 5 Oct 95

[FBIS Translated Text] Russian Defense Minister Pavel Grachev made some very sceptical remarks about the negotiation process in Chechnya. He said that the peace settlement there is proceeding not only slowly but also unsuccessfully.

[Begin Grachev recording] Our fears that the negotiating process is a tactical trick to build up additional forces, weapons, and equipment are being proved correct. According to figures we have today, about 6,000 [pause] illegal armed formations are virtually ready for action. [sentence as heard] They are again armed with 12 tanks and 16 armored transports and combat vehicles. [end recording]

Grachev made his statement about Chechnya today while he was presenting, on behalf of the Russian president, certificates to veterans for their participation in the parade devoted to the 50th anniversary of victory.

However, Chechnya was not the main theme in the defense minister's remarks today.

[Begin Grachev recording] Who at present stands in the way of the destruction of Russia? The army, of course. The army and the other power-wielding structures. If the army falls apart now, then there will be complete degradation and complete destruction of Russia. [end recording]

The certificate-presentation ceremony, which in itself is an innocent almost domestic ceremony, showed an unexpected unanimity between the generals and the veterans' movement. There was not a word of reproach to the defense minister. You help us as much as you can, the veterans say. It is the government that does not pay us the attention it should. No, Grachev corrected the overheated veterans, let us say thank you to the president and the prime minister: Army allocations have improved. And once again there was a coincidence of views. The naivety of the young democrats lies in the fact that they are undertaking to determine what the army should be like and how much money should be allocated to it.

What is this if not an attempt to draw together the military electorate on the eve of the elections, the many-million-strong army of servicemen, retired servicemen, veterans and their families. We give you pensions, subsidies, and housing, and you give us your votes. And

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then the military grouping in the future parliament will defend all our interests and the interests of the president. It is unlikely that a week ago Grachev, himself, thought up the idea of putting forward independent candidates from the military.

The pre-election time is a blessed time. No-one is forgotten and no-one is slighted. And although the numbers of veterans are declining, to paraphrase an old saying, a little bit from everyone will make an officer a Duma uniform.

Dudayev Plan To Resume Hostilities Denied

LD0610143495 Moscow ITAR-TASS in English 1353 GMT 6 Oct 95

[By Sharip Asuyev]

[FBIS Transcribed Text] MOSCOW, October 6 (ITAR-TASS) — Movladi Udugov, the minister of information and the press in the Dudayev government, on Friday denied reports that Dzhokhar Dudayev's supporters are preparing to resume hostilities in Chechnya when autumnal fogs set in. In an interview to ITAR-TASS by telephone he dismissed as "propaganda" a statement by Russian Defence Minister Pavel Grachev that there are 6,000 gunmen and several dozen units of armoured equipment in Chechnya ready for the resumption of hostilities against federal forces.

Udugov said Dudayev's supporters had only two tanks. One of them was destroyed by airstrikes of federal forces and the other, without caterpillars, is now in a highland area in Chechnya.

Kulikov: Situation 'Manageable' in Chechnya

LD0510192995 Moscow Russian Television Network in Russian 1700 GMT 5 Oct 95

[From the "Vesti" newscast]

[FBIS Translated Text] Today in Groznyy a working meeting was held in the Ministry of Internal Affairs of the republic. According to the report by the "Vesti" correspondent, Russian Interior Minister Vladimir Kulikov said the meeting was necessary to elaborate the tasks of the ministry until the end of this year.

[Begin Kulikov recording] The ministry is gaining strength, and until now it has been brought up to 85 percent. Already there are not bad practical operations. The situation is being brought under control not only in the town but also on the territory of the whole republic. [end recording]

As far as the situation in the republic as a whole is concerned the Russian minister said: [Begin Kulikov recording] I characterize it as manageable although not simple, but quite manageable. [end recording]

Kulikov: Dudayevites 'Creating Obstacles'

LD0510184195 Moscow INTERFAX in English 1358 GMT 5 Oct 95

[FBIS Transcribed Text] GROZNYY, Oct 5 (INTERFAX) — Russian Interior Minister Anatoliy Kulikov who arrived in Groznyy on Wednesday believes that the situation around the Sernovodsk Village in Chechnya "is yet more proof that the Dudayev supporters are creating obstacles for the fulfillment of the bilateral agreements, a senior Interior Ministry spokesman told INTERFAX in Groznyy on Thursday.

According to him, the minister "knows full information about the social and political situation" around the Sernovodsk Village where tensions rose recently as Chechens staying there protested against federal check points near the village.

The source said that the situation around the Sernovodsk Village would be discussed on Thursday during meetings between Kulikov with the federal force leaders in Chechnya and with Chechen Interior Ministry leaders.

Kulikov will soon visit a regional unit of the Chechen Interior Ministry, reports an INTERFAX correspondent.

He also visited the republic's Interior Ministry and gave valuable presents to best workers.

Disarmament Resumes in Chechnya

LD0510182695 Moscow INTERFAX in English 1558 GMT 5 Oct 95

[FBIS Transcribed Text] GROZNYY, Oct 5 (INTERFAX) — Disarmament resumed in Chechnya on Thursday, Kazbek Makhashev, a Chechen expert of the Special Observers Commission has told INTERFAX. According to him, inhabitants of the Alkhazurovo and Komsomolskoye villages in the south of the republic are disarming.

Makhashev said that the new disarmament and the pull-out schedule approved by the Commission envisages the handover of small arms and hardware until late October. He said that inhabitants of villages of the Achkhoy-Martan and Sunzhen districts will begin disarmament from October 7. According to the new schedule, the disarmament will take place simultaneously with the pull-out of federal troops from these districts.

It is planned that inhabitants of over 300 settlements are to hand over fire arms by the end of October, said Makhashev.

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Meanwhile, the Russian side and the Dudayev supporters have reached no compromise so far on the creation of guard detachments in villages. The Russian side believes there is no need to create such detachments because the Chechen side received the list of law-enforcement structures created in all districts of Chechnya.,

According to the military agreement, the detachments were to operate in villages before the creation of district law-enforcement bodies.

Dudayev supporters, however, intends to consider the law-enforcement structures as legitimate only after the elections in the republic.

Disarmament Process Remains Unresolved

LD0510192895 Moscow Russian Television Network in Russian 1700 GMT 5 Oct 95

[From the "Vremya" newscast]

[FBIS Translated Text] Today should have been the resumption of the process of disarmament in Groznyy. During the day, however, information on this subject did not come. All the more members of the commission, having discussed today the issue of disarmament in Groznyy, were not able to resolve the issue of which arms are to be bought by the authorities. Dudayev's side, contradicting the agreement, is insisting on the purchase of all firing arms and already in the evening it became known that for the third time disarming of the home guards in Urus-Martan District has broken down. This information was from the POSTFAKTUM agency.

Khasbulatov: Disarmament Deadline Postponed

LD0510231295 Moscow Voice of Russia World Service in English 2200 GMT 5 Oct 95

[FBIS Transcribed Text] After a meeting with President Yeltsin's envoy Oleg Lobov at the Chechen capital Groznyy on Thursday, the former parliamentary speaker and now the leader of the Union of the People for the Revival of the Republic, Ruslan Khasbulatov, told the news agency INTERFAX that Mr. Lobov has promised to put off until a later date the deadline set by the lower house of the Russian parliament, allowing the rebel fighters to surrender unpunished their illegally held weapons. On Thursday, the militants and civilians resumed the surrender of their weapons as part of a general disarmament expected to complete by the end of this month.

Tribunal Planned For Federal Troops

LD0610091595 Moscow ITAR-TASS in English 0827 GMT 6 Oct 95

[By Ruslan Maisigov and Sergey Ostanin]

[FBIS Transcribed Text] GROZNYY, October 6 (ITAR-TASS) — "A military tribunal will be set up in the Chechen Republic within the next month. It will consider offences committed by servicemen of the federal forces," Press Secretary of the President's Plenipotentiary Representative in Chechnya Vladimir Misyuchenko told ITAR-TASS today.

Offences, committed by servicemen in Chechnya, were previously judged by the Military Court of the Vladikavkaz garrison. It heard as many as 25 such criminal cases during the past year.

A decision to set up a Military Tribunal was adopted today during a meeting between representatives of the Russian Justice Ministry and the Justice Ministry of the Chechen National Revival Government. It was attended also by representatives from several law enforcement bodies of the republic. The meeting was presided by Oleg Lobov, the Russian President's Plenipotentiary Representative in Chechnya and Secretary of the Russian Security Council. It also adopted decisions on personnel matters pertaining to district judges. Today, there are only 18 district judges in the republic and 27 vacancies. It is planned to appoint 23 new judges shortly.

"The participants of the meeting," Misyuchenko said, "stressed that the Justice Ministries of Russia and Chechnya should forward information to the National Revival Government and inform the public about the results of all the considered civilian and military criminal cases."

Romanov on Progress Toward Peace

MK0610125695 Moscow OBSHCHAYA GAZETA in Russian No. 40, 5-11 Oct 95 (signed to press 4 Oct 95) p 1

[Dialogue between Anatoliy A. Romanov, commander of Russian forces in Chechnya, and Aleksandr Trushin: "Akbar Indeed!"]

[FBIS Translated Text] [Aleksandr Trushin] I cannot go along with those who describe the current situation in Chechnya with the pithy saying "neither peace nor war" [by Leon Trotsky concerning tactics in World War I]. For more than two months now, federal troops have been conducting no combat operations against Dudayev's armed units. The war that caused destruction and death in its path is no longer there. True, there is shooting near checkpoints every night. True, there

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is plunder, robbery, and terror by criminal groups in Groznyy. Still, this is peace — a fragile, barely born peace. No one is celebrating victory — it would have been terrible and bitter no matter who won. It is better to have such a "bad peace" — arguments, differences, and all.

[Anatoliy Aleksandrovich Romanov, commander of Russian troops in Chechnya] For me, the main task is to keep a grip on the situation and to prevent combat operations. This is very difficult. I have to try constantly to persuade my subordinates, especially those who wish to prolong combat operations, which is inadmissible and harmful for society, the military, and the country. I must use various means of influence, not just diplomacy.

[Trushin] I think the Dudayev side is now more inclined to compromise. No matter how high passions were running in Assinovskaya and Sernovodsk, they did not reach the point of bloodshed. Both delegations managed to go there together, sort things out, talk with residents, and find a common language. I recall the way Vladimir Zorin, deputy head of the territorial directorate of federal agencies in the Chechen Republic, arrived in Shali. Flying from the crowd were belligerent exclamations of "Allah akbar!" [God Is Great!], and he calmly responded, "Well, of course he is akbar!"

[Romanov] No one at the moment is urging that there be excessive concessions. The only demand is that accords be mutually observed. This is possible on two conditions — understanding the motives of the other side, and rejecting unpredictable actions. Once you make a promise, you should keep it.

Imayev asked me at the very start of the talks, "Maskhadov is fighting for the republic's freedom; what are you fighting for?" "I am fighting for Russia's integrity," I answered. "Anatoliy Aleksandrovich, I don't have any other questions; let's get down to work." I also realize that not all the fighters are the same. There are some who fought for an idea, who did not commit crimes — they are called "clean." But there are "vendetta men" — these cannot either go back to their villages or join us. They face punishment both there and here. It is they who do not want "stabilization;" they want war.

[Trushin] Dudayev finds himself in a quandary. His powers end on 27 October. He will either go with dignity or try to keep his power by military force.

[Romanov] His behavior is unpredictable, hence dangerous. If his actions threaten the public or federal troops, I will immediately issue a combat order.

[Trushin] In late September, federal troops moved 2-4 kilometers away from the villages of Nozhay-Yurt Rayon in keeping with the agreement. Now, you have submitted to the Special Observer Commission (SOC) a new troop withdrawal schedule. The impression is that you are acting more consistently than Maskhadov, who is on record as having once returned heavy equipment prepared for surrender to its former positions.

[Romanov] This is not so. The new schedule envisions both simultaneous disarmament of units under Maskhadov's command and buying weapons from the people.

The disarmament process should not be oversimplified. They cannot simply march out with their hands up on our orders. Their psychology and traditions are different. If a Chechen surrenders his arms to the enemy, he has no right to call himself a warrior. If he turns over his automatic to an imam, this is no disgrace. If Labazanov, for example, asks that the arms surrender be a month later, we agree. Someone else may ask to turn them over through the head of the local administration — this is also possible. Maskhadov declared he would surrender weapons through the SOC with OSCE officials taking part — this is acceptable, too. As for Geliskhanov, he is still making up his mind. He must take some other road — we'll find it.

[Trushin] Is there a limit to your patience?

[Romanov] There is a goal: To bring the people of this republic to elections without violence so that nothing and no one pressures the voter, so that neither a Russian tank nor a fighter's automatic rifle be there near the voting place. That's the limit of my patience.

[Trushin] We have been speaking and writing much about military-technical problems. But even if the 30 July agreement is fulfilled, this is not yet a solution to the Chechnya crisis. There remain political (Chechnya's constitutional arrangements and elections), economic, and ideological problems. All this is covered with mist — what is being done, why, what happens next. Remember January, when military men were complaining about having let the ideological support of the campaign slip by. Things are totally different now, but the mistake is being repeated. The losers are those who genuinely want peace and rehabilitation of the republic.

[Romanov] Let's highlight the key points. The military-technical questions should retreat to the background today. The key role should be given to politicians. As regards federal agencies, the Ministry of Nationalities Affairs is supposed to show more vigor. Support should be given to those Chechen leaders who participate in the peace process; I have in mind both the work of the roundtable and Ruslan Khasbulatov's arrival in the republic. I think that matters of public security should

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be handed over to local law-enforcement agencies. This is precisely what we conferred about with the republic's internal affairs minister on Saturday [30 September]. As for our role, it consists of consultations, training, and help. Honest, the Chechens will sooner agree on their own.

I must point out Oleg Lobov's persistence and vigorous work. I only hope he does not bog down in ambitious, never-ending construction projects. I would give priority to the economy of real people: housing, heating, water, transport, roads, jobs. That's what is of greatest importance.

As for ideology.... Since we've set before us a peaceful task, we should all act together — from the president to the soldier.

Kozyrev Expresses Hopes for Bosnian Cease-Fire

LD0510163095 Moscow ITAR-TASS World Service in Russian 1506 GMT 5 Oct 95

[By ITAR-TASS special correspondent Vasiliy Belousov and Dmitriy Gorokhov]

[FBIS Translated Text] Murmansk, 5 Oct (ITAR-TASS) — In the opinion of Russian Foreign Minister Andrey Kozyrev there is a good chance at present that a settlement of the situation in the former Yugoslavia can be achieved. "Boris Yeltsin is personally dealing with this issue and I do not rule out that we shall be able to achieve a cease-fire there by the end of today or at the most tomorrow with the active participation of the Russian president," the Russian foreign minister said in Murmansk where he arrived today from Oslo following his talks with the Norwegian leadership. He said that the world had responded positively to the initiatives of the Russian president for a settlement of this problem.

One of the problems worrying the world community will have been taken off the agenda with the cessation of hostilities in the Balkans, the minister said. Besides this the president has directly instructed the Defense Ministry to contact military specialists from the United Nations, NATO countries, and other states so as to get a professional opinion on the operation that will need to be carried out after the conclusion of a peace agreement in former Yugoslavia.

"We are against it becoming a solely NATO operation and for the North Atlantic alliance to assume total the command of the international forces. This naturally should be an international operation by a coalition of countries," the head of the Russian diplomatic service explained.

"The United States, Great Britain, France and other NATO countries could greatly contribute to the implementation of the operation. But the interests of other states, including neutral states, should be taken into account. Russia certainly should not be left on the sidelines. We do not accept NATO's claims to a monopoly. Nor do we claim the role of the 'big brother'" Kozyrev noted.

The point here is to devise a mechanism for the operation that would allow Russia to participate in it as an equal, the Russian foreign minister said.

Russian Role in Cease-Fire Satisfactory

LD0610093595 Moscow ITAR-TASS World Service in Russian 0907 GMT 6 Oct 95

[By ITAR-TASS special correspondents Vasiliy Belousov and Dmitriy Gorokhov]

[FBIS Translated Text] Murmansk, 6 Oct (ITAR-TASS) — Commenting on the cease-fire agreement in Bosnia, which was reached on Thursday, Russian Foreign Minister Andrey Kozyrev said in an exclusive interview for ITAR-TASS today: "I cannot hide my satisfaction that the agreement was reached with Russia's most active, if not decisive participation. Of course, the full mobilization of all forces and the active support of President Boris Yeltsin were required."

Kozyrev also expressed the hope that the cease-fire in Bosnia will grow "into a final end to the war," for "it provides a real chance for a full settlement to the problem."

Murmansk Leaders, Military Discuss Winter Crisis

MM0510155395 Moscow KRASNAYA ZVEZDA in Russian 5 Oct 95 p 1

[Report by Vladimir Gundarov: "No Money for Heating. Unless It Is Obtained, Northern Garrisons Will Not Survive the Winter"]

[FBIS Translated Text] Military garrisons in Murmansk Oblast are among the first in the country to feel the winter. In the mornings the meadows are already covered with ice. The real frosts are just around the corner. But the Northern Fleet has not managed to prepare fully for winter because of a lack of funding. The fuel reserves at such major garrisons as Polyarnyy and Severomorsk do not exceed the standard two-week level. Fuel reserves are being maintained at approximately the same level throughout the oblast as a whole.

A large group of generals and officers headed by Colonel General Anatoliy Solomatin, deputy defense minister for construction and billeting, went to Murmansk with the aim of studying the situation on the

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spot. A conference was held in Murmansk which was attended by Admiral Oleg Yerofeyev, commander of the Northern Fleet; Major General Gennadiy Gurylev, chief of the Federal Security Service Murmansk Directorate; Deputy Governor Valentin Luntsevich; heads of city and rayon administrations; and leaders of fuel and energy complex enterprises. A number of practical measures were devised to normalize the situation and clear debts for heating, water, and electricity.

Unfortunately it will not be possible to pay off all debts at once. Thus, of the 27 billion rubles [R] owed by the military to the "Kolenergo" joint-stock company, this enterprise will receive only R800 million during the course of the next week. Of the R62 billion owed to heating grids by three major garrisons alone — Severomorsk, Polyarnyy, and Roslyakovo — only R3.4 billion will be repaid. Moreover, we are talking only about heating debts and not about the acquisition of fuel for the coming winter. There is no money for that.

Col. Gen. Solomatin and the Murmansk Oblast leadership signed a kind of protocol of intent which will be valid through 2000. It takes account of such important problems as the organization of reciprocal settlements and debts, the transfer of the Defense Ministry's housing stock in military garrisons and compounds to municipal ownership....

In this respect a special part will be played by the salvaging of Northern Fleet submarines at Defense Ministry ship-repair enterprises located on the oblast's territory. The solution of this problem will make it possible to preserve ship-repair plants' production capacities as well as jobs at them.

'State of Emergency' Called in Maritime Power Supply

LD0610071095 Moscow ITAR-TASS World Service in Russian 0207 GMT 6 Oct 95

[By ITAR-TASS correspondent Dmitriy Kashirin]

[FBIS Translated Text] Vladivostok, 6 Oct (ITAR-TASS) — A power supply state of emergency is being introduced from today in Maritime Territory. This decision was taken by the Territory's commission for emergencies in connection with the disastrous situation which has arisen in Maritime Territory's power engineering.

ITAR-TASS was told at the press department of the Territory's administration that the sum total of debts to the Territory's power industry workers now exceeds 500 billion rubles [R]. In turn the power industry workers owe the Far East's miners some R400 billion. The chain of mutual non-payments has not permitted the creation of the necessary fuel reserve at Maritime Territory's power stations and central heating plants which are on the brink of being shut down.

By a decision of the emergencies commission the Territory's civil defense headquarters jointly with the heads of the local administrations has been instructed to compile a list of facilities necessary for the Territory survival and plans to supply them with power. Maritime Territory enterprises not included in this list will be shut down mid-October. Commissions and mobile groups for monitoring the set consumption modes and the rational consumption of fuel and power are being set up in the Territory's towns and districts. When tackling issues not connected with the carrying out of military tasks, military units will see their own facilities changed over to a power supply from their own power supply units. A reduction in television and radio broadcasts right up to their complete cessation during hours of peak power supply loads is expected.

For the period of the state of emergency, which, in the view of observers, will last until the spring of next year, strikes and other protest actions leading to a disruption in the Territory's power supply are banned.

Kulikov Meets N. Ossetian, Ingush Interior Ministers

LD0610100695 Moscow INTERFAX in English 0103 GMT 6 Oct

[FBIS Transcribed Text] VLADIKAVKAZ, Oct 5 (INTERFAX) — Russian Interior Minister Anatoliy Kulikov arrived from Groznyy in the North Ossetian town of Mozdok today and held a closed-door meeting with the interior ministers of North Ossetia and Ingushetia, Major-General Georgiy Kantemirov and Lieutenant-Colonel Mukharbek Agiyev.

INTERFAX has learned that the three interior ministers discussed the Ossetian-Ingush conflict and implementation by the law enforcement organs of the two republics of the Russian president's decree on the return home of refugees.

Kulikov left Mozdok for Moscow on the same day.

President of Mordovian Republic Inaugurated

LD0510211395 Moscow NTV in Russian 1600 GMT 5 Oct 95

[FBIS Translated Text] The inauguration of the head of the Republic of Mordovia took place in the town of Saransk today. In other words, Nikolay Merkushkin, who was elected to this office on 22 September, took up his post officially today. Here is a report from our correspondent from Saransk.

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[Unidentified correspondent] Nikolay Merkushkin, the new head of the republic, is 44 and he is from a large peasant family.

He graduated as an electronics engineer from Mordova State University and did not work as this a single day. He joined the nomenklatura immediately and went through all the stages from Secretary of the Komsomol regional committee to Second Secretary of a Mordovan party district committee.

After the abolition of the CPSU, Merkushkin was appointed chairman of the republican property fund. As head of a privatization company he immediately began to fight the pro-communist Supreme Soviet and gradually rallied around himself business and industrial circles of Mordova. They were the ones which helped him win in the elections of 1994 and become chairman of the new state assembly. In this post Nikolay Merkushkin was able to unite agrarians among his fellow thinkers.

Today, in the opinion of observers, there is no real opposition in Mordova to the new head. Nikolay Merkushkin's comrades-in-arms consider him to be an extremely cautious and careful man, an exponent of the market economy.

The new head put forward the main principles of his administration in his swearing-in speech. Unlike the previous leadership of the republic, Nikolay Merkushkin is trying in every way to demonstrate his friendship to Moscow which even the reception which communists today gave to Sergey Filatov who came to the inauguration ceremony is unlikely to spoil. The head of the republic has stated on more than one occasion that he wanted to bring about political stability in Mordova. Evidently it is with a view to this that he put forward for approval by the deputies the names of two of his former deputies as the new chairman of the state assembly and chairman of the government. After a short discussion both candidates were approved by an overwhelming majority of votes.

Economic Issues

Shumeyko Writes Premier on Military Budget

MM0510151995 Moscow KRASNAYA ZVEZDA in Russian 5 Oct 95 p 3

[Report by Petr Karapetyan under the "Postscriptum: Events and Commentaries" rubric: "Armed Forces' Needs Must Be Paramount in 1996 Federal Budget. Vladimir Shumeyko, Chairman of the Federation Council, Has Sent Viktor Chernomyrdin a Letter with Proposals on Financing National Defense"]

[FBIS Translated Text] The Federation Council's analysis of the 1996 draft federal budget presented by the government to the Russian Federation Federal Assembly is drawing to a close. The upper chamber's proposals on this document are expected in the State Duma by 11 October, but it can be said even now that a number of items in the draft budget are coming under criticism in both chambers of the Federal Assembly. Vladimir Shumeyko, chairman of the Federation Council, for example, has made comments and proposals regarding the funding of defense, law enforcement activity, and provision for the country's security.

In his letter to Viktor Chernomyrdin Vladimir Shumeyko writes that, no matter how difficult the country's financial and economic situation may be, the needs of defense and state security must be unconditionally paramount. However, the 1996 draft federal budget does not meet that requirement. Vladimir Shumeyko believes that the draft still contains major shortcomings in its justification of the scale and structure of defense and state security spending — shortcomings introduced when the present budget was drawn up. On funding for the Armed Forces the government has not identified additional potential and sources created by the financial and economic stabilization that is emerging and underestimates the role of the defense order as a factor for expanding the potential of the domestic market, reviving and developing production, and on that basis reducing inflationary costs. The Federation Council chairman is concerned at the draft budget's lack of spending on measures connected with the military reform and the improvement of the structure and mechanism of the functioning of the Armed Forces and the defense complex.

Vladimir Shumeyko draws the premier's attention to the following fact: According to the draft federal budget defense spending is rising from 3.22 percent of GDP to 3.76 percent. However, the figures in the composite financial balance show the opposite trend: in 1994 the figure was 4.68 percent (according to the accounts), in 1995 the figure is 5.5 percent, and in 1996 it will be 3.76 percent of GDP. Hence the conclusion that in conditions when inflation is highly unpredictable, the use of GDP as the basis for determining volumes of defense spending can be regarded as no more than an aid to calculation. The correlation between spending and the total revenue and expenditure of the composite financial balance and the consolidated and federal budgets is a far more reliable indicator. Analysis shows, Shumeyko writes, that **the 1996 draft federal budget envisages a considerable reduction in the proportion of spending on national defense compared with the indicators approved for 1995.** The foreign policy situation as well as the change in the country's economic situation mean that the proportion of national defense spending

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in the structure of expenditure in the new federal budget must not be below the level planned in 1995. Vladimir Shumeyko believes it necessary to **increase the total appropriations for defense by 7 trillion rubles [R] to a total of R86 trillion.**

The letter proposes that a special mechanism be introduced to protect budget expenditure on defense against inflation. Why? Prospective indexation, as a rule, is understated and over the funding period in question results in a substantial decline in real defense spending compared with the nominal figure. The fact that the power departments' spending is not protected against inflation means that the appropriations estimates have to be used predominantly for current upkeep and food provision (95 percent of the Defense Ministry's estimated costs and 96.6 percent of the Ministry of Internal Affairs' estimated costs in 1995, it is believed). Shumeyko says that instead of ratifying the nominal budget appropriation figure alone it is also necessary to ratify the real figure for the budget items under consideration, thus ensuring the current indexation of defense spending.

The expenditure structure planned in the draft budget (minimum appropriations for technical equipment — 16.5 percent of national defense spending or 3 percent of general expenditure) and research and development (7.5 percent of defense spending) does not correspond to the character of the modern Armed Forces. Defense spending, Shumeyko writes, affects mainly consumption and has little impact on shaping demand for the output of the science-intensive sectors. **In the 1996 draft budget real appropriations for the purchase of military hardware and arms and research and development are substantially below the 1995 figures because the nominal increase here lags by a factor of 1.5-2 behind the predicted level of inflation (in research and development, for example, the figure is 116.53 percent against an inflation figure of 133 percent).**

The chairman of the upper chamber felt the need to support the development of a medium-term plan for funding defense spending including the state defense order, on which basis it is possible to optimize the structure of national defense spending and increase the proportion of "technological spending" here. Programming methods should be used, Shumeyko believes, to introduce a financial technique which would envisage automatic funding (the budget authority principle) of certain defense costs for the entire duration of various defense programs excluding the annual opening up of credits.

Shumeyko proposes a discussion of the **expediency of including servicemen's pensions in the national defense spending estimates.** The constant rise in their nominal volume and proportion (from 2.58 percent of defense spending in 1992 to 12.8 percent according to the 1996 draft) creates a distorted impression of military policy and the total of defense spending, the letter to the premier says. Without changing the mechanisms whereby servicemen's pensions are fixed and paid, which falls within the Defense Ministry's competence, Shumeyko believes that spending on pension provision **should be shown in the federal budget under the social policy heading as a special item separate from national defense spending.**

The letter also raises the question of the use of appropriations on national defense and law enforcement activity in 1995 and 1996. Shumeyko believes that **the Defense Ministry other power ministries and departments had to spend considerable budget funds on unplanned activity (for example, in connection with the operation in Chechnya), and this must be taken into account and compensated made in the appropriations for 1996 (above the projected figures).**

The Federation Council chairman proposes that such a technique for financing spending on defense, law enforcement activity, and security, which would prevent disruptions and cash-flow problems, would automatically compensate for the power departments' extra expenditure due to extreme circumstances not covered by the budget which has been approved. It is also necessary, Shumeyko believes, to increase the responsibility of the Central Bank, the Finance Ministry, and other departments for the expenditure of appropriations on conversion programs where a major backlog has occurred even though resources are available.

Treasury Bills To Fund Army Food Supplies

MM0510131495 Moscow ROSSIYSKAYA GAZETA in Russian 5 Oct 95 p 3

[Untitled Russian Federation Government Directive No. 1330]

[FBIS Translated Text] In implementation of Russian Federation presidential edict No. 915 of 8 September 1995 "On Urgent Measures To Provide Russian Federation Armed Forces Servicemen With Food" and with a view to covering the temporary cash-flow problems due to the gap between anticipated federal budget spending and the relevant revenue the Russian Finance Ministry is authorized in September 1995 to place treasury bills made out in accordance with current legislation and worth a total of 1.3 trillion rubles with commercial banks on a competitive basis.

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Duma's Zadornov: Banking Crisis Worse Than Reported

LD0510174995 Moscow 2x2 Television in Russian 1454 GMT 5 Oct 95

[FBIS Translated Text] [Correspondent A. Pobortsev] Russia's banking system is going through a long and serious crisis. The scale of it is much more substantial and its possible consequences much more dangerous than the government and the Central Bank are trying to make out. This opinion was expressed at a news conference on Thursday by Mikhail Zadornov, head of the State Duma budget and finance committee. He said that Russian commercial banks, including quite major ones, are experiencing a tangible shortage of money today, which they are incapable of making up independently and this will lead to delays of five or seven days in banking operations and will exacerbate the already acute and moot problem of nonpayments.

[Begin Zadornov recording] I think that in October or November a new wave of bankruptcies can be expected in banks. Consultations show that not all banks are coping with this crisis. Accordingly, there is the danger of the domino effect whereby some of the major banks or some of the medium-size banks that are bound up with many others may end up in that list of bankrupts. [end recording]

Central Bank's Foreign Investments Defended

MM0610083695 Moscow IZVESTIYA (Financial Section) in Russian 5 Oct 95 pp 1-2

[Report by Ivan Zhagel: "Central Bank's Gold and Foreign Reserves Provide Hope for Maintaining Stability of National Currency"]

[FBIS Translated Text] The Central Bank has revealed the size of its gold and foreign-currency reserves. To be more precise, as Aleksandr Potemkin, director of the Central Bank's Foreign Operations Department, stated, at 1 October foreign reserves were no less than they were at 1 July 1995 — when the figure of $10 billion was given. Moreover, the gold reserves held by the Bank of Russia and the Finance Ministry come to around 240 tonnes, of which more than half is accounted for by Central Bank reserves.

The size of the Central Bank's gold and foreign reserves provide some hope that the stability of the national currency will be maintained. But A. Potemkin believes that the time has now come to be talking not simply about some figures but about a change to the entire ideology underlying administration of these reserves and reassessing their role. Whereas in the communist era foreign reserves were mainly earmarked for necessary import operations, today they have begun to be seen as the basis for ensuring the stability of the national currency and as one of the main conditions for its convertibility.

This idea is exceptionally important but it has not yet become obvious in our transitional society. It was no accident that a few months ago the top echelons of power were actively discussing the idea of using the Central Bank's increased foreign reserves to provide loans to the Russian Government. The Central Bank believes that implementation of this idea would considerably reduce the "quality" of money in circulation and would undermine the hard-won stability of the ruble.

Admittedly, this inevitably prompts the question — if the Central Bank will not lend to its own government, by placing its reserves abroad it is lending to other states. But this system is generally accepted around the world. And three main principles are adhered to when investing the foreign reserves — reliability, liquidity, and profitability. Understandably, the first is the main one — after all, the country cannot take any risks.

That is why 95 percent of the Central Bank's foreign reserves are currently invested in foreign state securities — mainly those issued by the United States and Germany — and if we allow the hypothetical possibility of these countries' going bankrupt, so to speak, only then would the Central Bank lose its money. Broken down by currency, the reserves are 75 percent in dollars and 20 percent in German marks, with the other 5 percent held in other currencies — which also approximates to the structure of other countries' reserves.

Nonetheless, many Russian bankers believe that the Central Bank should still be geared more actively to Russian banks. We are taking here about the 5 percent of reserves which are not invested in foreign state securities but are deposited in foreign banks. But, A. Potemkin believes, when the Russian banks received the foreign exchange, they would still be forced to invest it abroad — otherwise we would be talking about refinancing our own banking system. This means that the aim of the Russian banks is to earn a profit from investing the reserves in foreign banks. But this quest for profit could make such investments very risky — which is something that the Central Bank simply cannot permit. Incidentally, as A. Potemkin put it, the question of depositing reserves in Russian banks is not finally closed; it is a problem that the Central Bank will be looking at again in the future.

When talking about investing the Central Bank's foreign reserves, we cannot discount the liquidity factor. In other words, the Central Bank should be able at any

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time to obtain its own funds so as to be able to influence the situation on the domestic foreign-exchange market and maintain the national currency's exchange rate. Operating under these arrangements makes it possible to invest the funds in first-class foreign banks — consequently, it would be wrong to accuse the Central Bank of a lack of "patriotism."

Finally, Russia has certain obligations to international financial organizations — not least as regards the level of its foreign reserves. But, in accordance with IMF requirements, only those funds that are invested with central and first-class foreign banks are considered as foreign reserves. And it is simply impossible to get around that condition.

Official Says Export Duties May Soon Be Cut

LD0510202295 Moscow INTERFAX in English 1709 GMT 5 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 5 (INTERFAX) — A senior government official said on Thursday the government might very soon either reduce or completely abolish export duties for some types of goods.

The purpose of the measure, which may be ordered before October 10, is to support exporter enterprises that have been in "a difficult position" after the government fixed the ruble against hard currencies last July, head of the Foreign Economic Relations Ministry's tariff department Aleksandr Daniltsev told INTERFAX. The ruble is to remain at between 4,300 and 4,900 to the U.S. dollar until the end of the year.

Daniltsev said the government already cut export duties by an average of 30% — and those for the iron and steel industry's products by half — from September 1 and totally abolished duties for armaments and other military hardware from that date.

He said the government believed that, unless duties came down, "export may substantially diminish in volume, which is what already happened in July and August to the export of oil (which fell by 22.9% and 15% respectively in the two months) and some other kinds of raw materials." Lower exports, in turn, "would inevitably entail a considerable decrease in (the state's) receipts from the taxation of the profits of exporter enterprises, a fall in production and reductions in employment in some export-related industries."

"Export duties will sooner or later have to be abolished altogether, and then the government will be deprived of such a simple way to regulate export and will have to think of more complicated mechanisms to support producers, such as loans made for a special purpose, easy-term insurance and others."

He said duties for all export items, including oil and other energy, would be brought down step by step throughout the fourth quarter of the year to make the taxation system and the economy as a whole ready for their complete abolition from January 1, 1996.

Independent observers, however, say that, according to a proposed national budget for 1996, oil, one of the country's principal export items, would still be subject to duty, though the charge would come down to an average of 10 Ecus per tonne from today's 20. The observers point out that oil was one of very few types of commodities for which duties were not reduced from September 1 and wonder what the government will do about it this time.

Foreign Debt Burden Seen as 'Economic Tragedy'

MM0510124995 Moscow PRAVDA in Russian 5 Oct 95 p 1

[Article by Viktor Trushkov: "Traveling the World with a Big Burden"]

[FBIS Translated Text] This year Russia will become the world's biggest debtor. This was announced by A. Illarionov, director of the Economic Analysis Institute. The old record was held by Brazil, whose current debt is $122 billion. This year the Russian Federation's debt will hit $130 billion.

Incidentally, whenever they talk about debt, the post-August rulers point the finger at their predecessors — this is the burden they have inherited. And, of course, nice people are tricky. Six years ago the well-known arch-marketeer N. Shmelev, a zealot for both "shock therapy" and other economic adventures prescribed in foreign recipes, assured us from the rostrum of the First Congress of USSR People's Deputies that by the summer of 1989 the Communist government had burdened the Soviet Union, "if Western sources are used once again, with net debt of around $30 billion." This means that in the past six years the country's foreign debt has increased by $100 billion — or 330 percent.

But this terrible comparison still does not wholly reveal the scale of the current economic tragedy. In 1989, when the main means of production were owned by all the people and the state disposed of the entire global product, the USSR's debt was not catastrophic. Today the situation is different. Following the national economic theft that was privatization, the budget is formed mainly from taxes.

The debt burden, which the government is irresponsibly increasing, is now too much for the entire Russian economy — even if it were being run by the state, as was the case six years ago. Here is a problem for

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primary school students. If dollars are converted into rubles at the current market rate, Russia's state foreign debt comes to 585 trillion rubles [R]. But the country's GNP created in the first half-year at enterprises in all forms of ownership comes to only R606 trillion. In other words, if our foreign creditors were to suddenly demand repayment of the debts, for six months Russians would be left without a liter of gasoline, a gram of bread, or any heat and light.

Admittedly, we will not be allowed to die in this way. But the West has already won the right to call the shots in our own home. Consequently, nobody seriously listens to Russia's voice when world problems are being resolved. Consequently, foreign offices are telling us how to privatize installations, whom we should be fighting in our own country, which textbooks our children and students should use, and which ministers should be retained and which fired....

Foreign loans will no longer help this regime to remedy the economic situation. A. Illarionov — who, incidentally, is a zealous supporter of capitalization — has calculated that under the draft budget for 1996 proposed by the V. Chernomyrdin team the government will be forced to spend 12-15 percent of GDP (that is, everything the country produces) as interest on their domestic and foreign debts (and the debts themselves will not be reduced). This means that around half of all budget spending will go not on social needs, not on the environment, not on science or defense, but on interest payments on our debts.

But more worrying than this disaster is the fact that we have been purposefully channeled in this direction. Six years ago the "democrat" N. Shmelev said the following about the report delivered by the chairman of the Soviet Council of Ministers at the First Congress of USSR People's Deputies: "Nikolay Ivanovich [Ryzhkov] said that he does not want to leave any debts behind for his grandchildren. I can understand that, but that is still not saying anything fundamental."

Brazil has been left behind. What lies ahead? Admittedly, there are still the elections, at which the people will be able to vote for a fundamental change in economic policy. There is nothing else.

Economics Ministry on Russian Savings, Investments

LD0510125795 Moscow ITAR-TASS in English 1224 GMT 5 Oct 95

[By Aleksandr Samozhnev]

[FBIS Transcribed Text] Moscow October 5 (ITAR-TASS) — Although the Russian Government succeeded to stabilise the rouble of late and offered a profitable savings loan to the population, most Russians still view the U.S. dollar as the most reliable savings instrument.

Experts of the Economics Ministry told TASS Thursday that the spendings of the population for purchasing hard currency went up 15 per cent in August although the general incomes dropped 12 per cent in the nine months of the year compared to the same period of 1994.

The experts said deposits in banks decreased and the people were no longer investing in securities.

They explained the changes by autumn inflation fears and by a predicted 10 per cent drop in incomes of the population in 1995.

Third Quarter Shows Economic Stabilization

MM0610092695 Moscow ROSSIYSKIYE VESTI in Russian 4 Oct 95 p 3

[Article by Igor Duel under the "Analysis" rubric: "Disaster Has Not Struck. Results of Third Quarter Testify to This"]

[FBIS Translated Text] The prediction made by the opposition, which forecast a disastrous slump in production this fall (up to 20 percent), has clearly not come true. On the contrary, the rate of the slump has slowed down, and it did not exceed 3-4 percent in the third quarter. Furthermore, in a number of sectors — ferrous and non-ferrous metallurgy, the chemical and petrochemical sectors, and housing construction — a growth in production has been noted. The rate of the slump in machine-building has dropped significantly. That is, the sectors which have always been considered to be the backbone of the economy are gradually overcoming their critical position. Although the situation in light industry remains very serious, and the food industry has not achieved last year's level.

The foreign trade sphere has been developing successfully in all of the past three quarters. The volume of export increased by 24 percent during this period, and import by 16, which has ensured a foreign trade balance in the black.

The government has carried out its main promises which it gave at the beginning of the year — to decrease the rate of the growth in prices and reduce inflation. Whereas in January inflation had reached 16 percent, then in August it had fallen to 4.6 percent and constituted 4.5 percent in September. This has created real preconditions for carrying out the task set by the Russian Federation president — bringing the level of inflation down to 2 percent a month at the beginning of next year.

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It has proved possible to slow down the rise in the price of food goods. And as for the consumer basket (a set of 19 vital products), then in September it certainly became cheaper — for the first time in seven years.

Nevertheless at the moment there are no grounds for talking about a rise in the living standard: It has not proved possible to reach the indicators of the same period last year either on the basis of real earnings or on the basis of realistically calculated income. However, the contrast in the incomes of various population groups has been reduced to some extent, there have been small improvements in the demographic situation indicators, and the rate of the increase in unemployment has proved to be significantly lower than expected.

The government has declared a real battle for the timely receipt of income into the federal budget. "Attacks" are going on in many different directions. One of these is aimed at the natural monopolists, whom Economics Minister Yevgeniy Yasin recently called "the locomotives of inflation." The second represents a set of tough measures against the several dozen major successful enterprises, which have not paid all of their taxes on various specious pretexts, and are literally "gripping by the throat" the country's budget. The third is the alcohol market. "Because of the completely abnormal situation which has formed here," Anatoliy Chubays noted at a press conference, "Russia is failing to receive around $10 billion into the budget. This is a fantastic sum. It is enough to raise the living standard of many million citizens. That is why we are embarking on the most drastic measures in introducing order into this market."

The fourth direction of the "attacks" over income into the budget concerns the receipt of funds from privatization. In the first half of the year these were meager. The turning point came in September following the issue of the famous edict of the Russian Federation president and the government decree. In this month alone, income from the sale of state property exceeded R1 trillion. And there is every reason to believe that the planned R8.7 trillion will be received by the budget by the end of the year.

But here it is necessary to be on your guard because the opposition is trying to hinder the transition of enterprises to the control of the actual owners. Answering a question as to how he assesses the recent statement made by State Duma Deputy Speaker Gennadiy Seleznev, who stated that the monetary stage of privatization is illegal, Anatoliy Chubays said: "Communist Seleznev is lying. If the opinion he expressed is not the latest completely uncorroborated attack on the government, then Comrade Seleznev should strive for the repeal of the Law on Privatization, which was in fact adopted by the Supreme Soviet. After all, Seleznev must know that it is for this purpose that the Supreme Court exists, as well as the Court of Arbitration, and, finally, the Constitutional Court. You can only be surprised at how his party comrades are calmly observing the complete inactivity on such a fundamental question of a communist occupying a high post. To get to the crux of the matter, the communist's statement has revealed the far-reaching intentions of his kindred spirits to take away from the Russian citizens what little privatization has given them. 'Ill-spent money,' — I cite Seleznev's very words. I think that the Russian citizens must pay attention to this statement when the time comes to decide who should be entrusted with the country's future."

The government realizes that it is only on condition that the income articles of the budget are carried out that the Russians' living standard can be raised significantly. This primarily concerns doctors, teachers, scientific workers — everyone who gets their pay directly from the budget. However, it would be a sacrilege to make them wait a long time. Therefore, as of 1 September, the remuneration of budget-funded sectors has been raised by 54 percent. A decision has been adopted to review the tariff network, which should lead to an increase in wages by another 30 percent. The government has specifically transferred R250 billion into regional budgets to increase the earnings of teachers. To ensure that these funds do not get spent on other needs, special trade union commissions will track their distribution.

The problem of the defense order remains most acute for the government. Enormous debts to the defense sector were carried over into 1995 from last year. It was only toward the end of June that these managed to be paid off, but current funding remains. Now the government is preparing a document which is to radically change the procedure for the settlement of payments on the defense order.

Within the framework of the budget adopted by the State Duma, it is practically impossible to fully finance the Ministry of Defense and Ministry of Internal Affairs. In order to satisfy the requirements of these departments, the government intends to propose that the parliament should redistribute extra payments into the income part of the budget, channeling a significant part of them into paying off the debt to the Army and the law enforcement organs.

In June, when the results of the second quarter were being analyzed, First Vice Premier A. Chubays said that the state of the Russian economy at that time made it possible to look into the future with cautious optimism. The third quarter has become another appreciable step

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on the path toward stabilization. Therefore there is now more cause for cautious optimism.

Directive 1328: State Shares Sent to Holding Company

MM0510153795 Moscow ROSSIYSKAYA GAZETA (Documents Section) in Russian 3 Oct 95 p 3

["Russian Federation Government Directive No. 1328 of 25 September 1995," signed by O. Soskovets, first deputy chairman of the Russian Federation government, in Moscow]

[FBIS Translated Text] As a partial amendment to Russian Federation Government Directive No. 357 of 21 March 1994 (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII 1994 No. 14, p 1127):

1. The proposal of the Russian State Committee for the Defense Sectors of Industry, coordinated with the Russian State Committee for the Management of State Property, on the transfer to the incorporation capital of the "Aviapribor-Kholding" holding company of 10 percent of the shares of the "Konstruktorskoye Byuro Promyshlennoy Avtomatiki" [Industrial Automation Design Bureau] Joint-Stock Society from the 25.5 percent assigned to state ownership is hereby adopted. The remaining 15.5 percent of shares in the "Konstruktorskoye Byuro Promyshlennoy Avtomatiki" Joint-Stock Company are to remain federal property.

2. The Russian State Committee for the Management of State Property is to make the appropriate amendments to the plan for the privatization of the "Konstruktorskoye Byuro Promyshlennoy Avtomatiki" Joint-Stock Company.

[Signed] O. Soskovets, first deputy chairman of the Russian Federation government

Yasin on Bread Prices, Aiding Agriculture

LD0510123695 Moscow ITAR-TASS in English 1145 GMT 5 Oct 95

[By Ivan Novikov]

[FBIS Transcribed Text] Moscow, October 5 (ITAR-TASS) — With Russia's grain harvest poor this year, every effort will be taken to keep bread prices from rising, Russian Economics Minister Yevgeniy Yasin said today.

Speaking at the State Duma hearing on the draft 1996 federal budget today Yasin said the government is going to give a maximum assistance to the troubled agricultural sector.

Russian Agriculture Minister Aleksandr Nazarchuk told a news conference in Moscow on Tuesday that "the price for a loaf of bread might rise in Russia to 5,000 roubles by the end of the year".

He said Russia's total grain crop to come in this year is expected to be 65-66 million tonnes.

This summer's severe drought has left Russia with the lowest grain crop in the period since 1965.

Russia annually uses 24-25 tonnes of grain as food.

Regional food funds are buying grain at a much faster pace than it is coming to the federal fund, Nazarchik said.

He said businesses are buying grain to sell it to the state later at world prices.

These factors are to send retail bread prices up, the minister said.

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International Affairs

East, West Alliance Pros, Cons Weighed

954F3548A Kiev MOST in Russian
No 38, 25 Sep-1 Oct 95 p 5

[Article by political scientist Mariya Pecherskaya: "Creating Ukraine"]

[FBIS Translated Text] After four years of the pursuit of a comparatively neutral foreign policy, new tests await Ukraine. At a time when Poland, Hungary, the Czech Republic, and the Slovak Republic are getting closer to membership of the European Union and NATO is talking about a possible expansion eastward and Russia is preparing to oppose NATO here, Ukraine once again finds itself in the unenviable position of "man in the middle." Considering the prospect of a new arbitrary East-West border being drawn across Poland, Ukraine also could objectively reconsider its position and begin to look for an alliance most corresponding to its requirements. The question is the direction in which Ukraine will lean, the basis on which such an alliance could take shape, and how Ukraine would feel in it.

Any country gauges the value of potential partnership by three strategic criteria: how the possible alliance will influence the level of the threat to national security, what political advantages may accrue from such an alliance, and what its economic benefits would be. The most obvious scenarios for Ukraine would be partnership with the European community (in the European Community or NATO, for example) or a security treaty within the framework of the Commonwealth of Independent States (Russia).

From the strategic viewpoint, Ukraine has a chance of a better future if it leans toward the West, not fall into the embraces of Russia. A prerequisite for membership of the EU and NATO is the settlement of all border and territorial disputes, which would eliminate the tension between Ukraine and Poland, Hungary, and Romania. The European Community employs so-called structural funds, the essence of which consists of the transfer of resources from the wealthy countries of the European Union to the poorer countries. Membership of NATO would be of extraordinary political importance: It would afford Ukraine a chance of being admitted to the symbolic club of democratic nations.

But the orientation toward the West, ideal in the long term, could prove to be not the best path for Ukraine in the immediate future. First, this could complicate Ukraine's relations with Russia, cause a rapid increase in the price of energy sources, and plunge Ukraine into another economic tailspin, which would be hard to control. Second, such a scenario could place Ukraine in its familiar position of "younger brother," in relation to Europe this time, and become a serious economic burden inasmuch as neither Ukraine's agriculture nor its armed forces correspond to the requirements of the free market. And the final, although no less serious, problem is that Ukraine's arrival in Europe is not approved by all inasmuch as this arrival could destroy the shaky agreement between NATO and Russia, alter the international distribution of labor, and simply cause the European countries additional needless problems.

Were Ukraine able to join the alliance in the not-too-distant future, the real basis for this would be not national security but the economy. The transition to an unsubsidized market is a very costly process. From 1985 through 1993, for example, Poland's external debt grew from $29.3 billion to $46.8 billion. For comparison, the external debt of Ukraine, a country almost twice the size of Poland, constituted only $6.7 billion in April 1995.

Europe and Russia offer Ukraine utterly different levels of financial assistance. Russia is Ukraine's biggest trading partner; its share of Ukraine's total trade turnover constitutes 39 percent, and of its import volume, 52 percent. Even more important is the fact that Russia supplies 52 percent of the energy sources used by Ukraine. Russia's direct investments in the economy of Ukraine in January 1995, meanwhile, constituted $16 million, which puts it in sixth place after the United States ($79.3 million), Germany ($64 million), Britain ($29.2 million), Cyprus ($20.4 million), and Switzerland ($17.2 million).

Depending on whether the West expands trade and economic cooperation with Ukraine (which is entirely realistic) or Russia increases its investments (which is less probable), Ukraine's future could develop according to one of three main scenarios: that of economic partnership with the United States and Europe, that of economic partnership between Ukraine and Russia, and that of a Ukrainian-Russian economic and political alliance. All three scenarios require the adoption of a long-term decision on the part of Ukraine—whether the ultimate goal of Ukraine's development is affiliation with Europe or existence subsequently also with the status of Eurasian (Asiatic) state.

The first scenario is the key to Ukraine's European future. Ukraine can hardly affiliate with NATO or the European Community within the next 10 years but it could take the route of the East European countries, which have already negotiated half this distance. In order to become a member of the North Atlantic alliance Ukraine could avail itself of the existing Partnership for Peace, expand it, create an individual framework of cooperation with NATO, and arrive at individual

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membership gradually. The European Community also has a strategy of the preliminary evaluation of applicants (adopted at the Council of Europe in December 1994) and associate member status (the so-called "European Agreement"), and Ukraine could, therefore, perfectly well avail itself of these.

Partnership with the United States and Europe would require of Ukraine great efforts. Ukraine would have to persuade the West of the expediency of such an alliance from the strategic and economic viewpoints, make efforts to obtain credit, and convince Europe of the need for the organization of broad-based trade. In addition, the possibility of partnership would depend on Ukraine's democratic development and Ukraine's capacity for creating a stable political system and economy and also on Ukraine's readiness to fight corruption and crime within the country.

However surprising, many of these qualities would also be needed in the event of Ukraine deciding to remain in Eurasia and to concentrate on economic relations with Russia. Such a scenario would not mean that Ukraine would have to forgo its independence or once again become the second best state of the former Soviet Union. Ukraine's compact dimensions and its unique geographical location could be used as a lever against raw material dependence on Russia and could even permit Ukraine to lay claim to the place of leader in this tandem. But in the event of cooperation with Russia, the most that Ukraine would obtain are cheap natural resources. As far as assistance in democratic development, transition to the free market, and participation in international integration processes are concerned, Ukraine would have to operate in isolation.

Both the above-mentioned scenarios view Ukraine as developing and becoming a politically stable and economically viable country. The course of recent events shows that Ukraine has good potential for this. But politics are often changeable, and it is theoretically possible, therefore, that Ukraine's reforms will not be successful and that Ukraine will obtain a ravaged economy and general chaos in the country. In this case a weakened Ukraine could not become an equal partner of Europe but would be a desired acquisition for Russia. Under these conditions these two states could conclude not only an economic but also a political agreement. An economic and political (or political and economic) alliance between Ukraine and Russia could complicate Ukraine's relations with the West and cost Ukraine a certain part of its sovereignty. But in the event of events developing according to the worst scenario, it could help Ukraine's internal stabilization and its preservation as a nation.

All three scenarios have varying approval ratings in the evaluations of the potential participants. The scenario providing for Ukraine's partnership with the United States and Europe is perceived with the greatest enthusiasm in Ukraine, but it evokes a certain leeriness on the part of Russia and the West. The prospect of Ukraine being in an economic partnership with Russia does not worry either Europe or the United States, but is perceived well by Ukraine. But such a scenario would seem an unwarranted economic burden for Russia. Finally, both Ukraine and the West are holding off from the idea of an economic and political alliance between Russia and Ukraine, but it is welcomed by Russia.

The actual development of events will be determined by Ukraine's decision on entry into an alliance either with Europe or with Russia and by its capacity for interacting with both parties. Today Ukraine still has an opportunity to choose the optimum path entailing the fewest possible losses. But time is passing, and Ukraine could lose its possibility of choice, and only the least acceptable options would be accessible. If Ukraine wants to create stable prerequisites for its successful future development, it must determine its position and begin assertive actions as soon as possible.

Udovenko: Decision Needed on NATO Peacekeeping

LD0510181995 Moscow INTERFAX in English 1641 GMT 5 Oct 95

[FBIS Transcribed Text] KIEV, Oct 5 (Interfax-Ukraine) — Ukrainian Foreign Minister Hennadiy Udovenko said "a political decision has to be made" for Ukraine's possible participation in NATO-commanded peacekeeping operations in the former Yugoslavia.

Udovenko told reporters in Kiev today that he was going to advance corresponding proposals together with Ukrainian Defense Minister Valeriy Shmarov and submit them for consideration by the Ukrainian president.

"We will not take part in military actions," Udovenko said. He said Ukrainian peacekeepers could participate in auxiliary operations such as the delivery of humanitarian aid, engineering operations, etc.

Udovenko said the NATO's plan to attract troops from countries which are not members of the North Atlantic alliance to peacekeeping operations "is so far at the stage of talks." He said that at present Ukraine should decide whether it "is ready for participating in such operations." "However, the other party should also decide if it is ready to attract Ukraine," he said.

Udovenko said that during his meetings with U.N. representatives in New York he had concentrated on the problem regarding the removal of sanctions imposed

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on the Federative Republic of Yugoslavia. He said Kiev favored the removal of sanctions not only because Ukraine suffered considerable economic losses because of the sanctions. Udovenko said: "The sanctions have begun playing a counter-productive role." He said the "shadow economy" of the Federative Republic of Yugoslavia had adapted itself to the sanctions and the sanctions had almost no serious impact on Belgrade.

Udovenko Warns of Economic Dependence on Russia

LD0610100795 Moscow INTERFAX in English 0103 GMT 6 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 5 (Interfax) — The Ukrainian national INDEPENDENCE newspaper today published a confidential letter of Ukrainian Foreign Minister Hennadiy Udovenko to President Leonid Kuchma.

In the letter, Udovenko negatively assesses Russia's strategic policy towards the CIS which has recently been approved by Russian President Boris Yeltsin.

Udovenko said the Ukrainian Foreign Ministry deemed it necessary to assess the admissible level of Ukraine's economic dependence on Russia and determine the number of enterprises which were "tied" to the Russian economy and could not function if economic relations with Russia were broken. Udovenko said the countries whose views on the CIS were close to the Ukrainian stand should work out a joint approach to resolving problems related to the CIS.

"Russia has no intention to build its relations with the CIS countries in line with international law, respecting their territorial integrity, sovereignty and the principle of noninterference into domestic affairs," Udovenko said.

Udovenko said that the "integration, whose necessity and usefulness is proclaimed in Yeltsin's corresponding decree," "in fact means undermining the CIS countries' sovereignty, subordinating their activity to Russia's interests and restoring the centralized super power."

Udovenko said: "It should be considered as possible that following its earlier proclaimed attempt, Russia will declare Ukraine a bankrupt and demand that Ukraine compensate its debt by its property."

Udovenko said he believed that Moscow might take several measures. He said Moscow "may put forward property claims and demand that Kiev transfer to Russia the Ukrainian network of main pipelines and gas storages, control blocs of shares in enterprises of the key industries, etc."

An Interfax-Ukraine correspondent reports that Udovenko today expressed regret over the publication of his confidential letter to the Ukrainian president.

Udovenko told reporters in Kiev that the letter was not an official document.

Udovenko said he would launch in the Foreign Ministry a serious investigation of the letter's publication.

Kiev, Warsaw To Coordinate Council of Europe Actions

LD0510162295 Kiev UNIAN in Ukrainian 1300 GMT 5 Oct 95

[FBIS Translated Text] Kiev, [no date as received] — Ukraine and Poland should coordinate their actions in the Council of Europe, by working out common decisions and defending them, agreed Ukrainian Supreme Council Chairman Oleksandr Moroz and Polish Sejm Speaker Jozef Zych at their meeting on 5 October. The two speakers also agreed to practice coordinating the two countries' legislation.

Speaking at the meeting, Moroz stressed that following the Council of Europe Parliamentary Assembly's decision to admit Ukraine, both countries had "equal responsibility for the situation in Europe." He thanked Polish officials for their country's "assistance and support" to Ukraine on its way to Council of Europe membership.

Kuchma Praises 'Strategic' Partnership With Poland

LD0510212395 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 5 Oct 95

[FBIS Translated Text] Ukraine and Poland are strategic partners not only in rhetoric but in action, said Ukrainian President Leonid Kuchma at a meeting with Polish Sejm Speaker Jozef Zych today in Kiev. The president recalled that Ukraine's Defense Minister Valeriy Shmarov was currently visiting Poland and a meeting of the Ukrainian-Polish presidential consultative committee had been held recently.

I hope your visit is fruitful in all aspects, Kuchma told the Polish speaker. Zych said that relations between Ukraine and Poland were important to his country, in the view of both countries' wish to be part of a united Europe.

Foreign Ministry Urges Expanded Ties With Asia/Pacific

LD0510152095 Kiev UNIAN in Ukrainian 0910 GMT 5 Oct 95

[FBIS Translated Text] Kiev — Ukraine's Ministry of Foreign Affairs considers it expedient to step up rela-

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tions with countries of the Asian and Pacific region. UNIAN learned from confidential sources that to this end the Foreign Ministry proposed that the Cabinet should adopt, in particular, a state program on developing trade and economic cooperation with Asian and Pacific countries, set up a system of state support for projects which will be implemented with countries of this region and which are vitally important to Ukraine, and study the possibilities of exporting Ukrainian military and technical goods and winning contracts for maintaining weapons manufactured by former Warsaw Pact countries. In order to fulfill the latter there is a proposal to open representations of Ukrainian foreign trade companies in this region.

The Ukrainian Foreign Ministry considers that the need to step up economic and political relations with Asian and Pacific countries has come about because of the high level of capital accumulation in these countries which would enable them to invest in the Ukrainian economy. The relative accessibility of this market is favorable for Ukrainian manufacturers compared with markets of the European Union and North America.

National Affairs

New Law Approved To Fight Corruption in Government

LD0510190495 Kiev UNIAN in Ukrainian 1540 GMT 5 Oct 95

[FBIS Translated Text] Kiev, 5 Oct — The Ukrainian Supreme Council has approved the final edition of the law on measures against corruption, regulating government and state officials' liability for corrupt actions.

Under the law, noncriminal offenses are punishable by dismissal and an administrative fine between 25 and 50 pre-tax minimum wages. Officials guilty of corrupt actions are subject to a three-year ban on employment in government bodies and agencies.

The same liability applies to parliament and local council deputies. Corrupt deputies are subject to early dismissal, while criminal charges may be brought against them with the relevant council's consent. Deputies found guilty of corruption are banned from running for elected offices for five years.

Deputy Prime Minister on Fuel Problems

WS0510153295 Kiev URYADOVVY KURYER in Ukrainian 26 Sep 95 p 3

[Interview with Vasyl Yevtukhov, deputy prime minister for issues of the fuel and energy complex, by Leonid Samsonenko; place and date not given: "The Situation May Only Be Helped by Work and Discipline" — first three paragraphs are URYADOVYY KURYER introduction]

[FBIS Translated Text] **The newly-appointed deputy prime minister for issues of the fuel and energy complex is well-known in both the economic and political circles of our state. An economic manager by profession, he has become a politician by a will of fate.**

An intense political activity in the post of president of the Ukrainian Union of Industrialists and Entrepreneurs and his high professional level allowed him to come back to the government, where not so long ago he held the post of deputy prime minister responsible for industry, power engineering, transportation, communication, and construction.

He was born in 1948, completed Ore Mining Institute in Kryvyy Rih as a mechanical engineer, and devoted 22 years to activity in the production sector. A deputy of the Supreme Council of the former and present convocations, he headed the Supreme Council permanent commission for issues of the development of basic industries of the national economy.

[Samsonenko] Vasyl Ivanovych, prior to your appointment as deputy prime minister for issues of the fuel and energy complex, you already were in charge of the industrial sector in the Cabinet of Ministers. Subsequently, the fate willed to involve you in politics as the president of the Ukrainian Union of Industrialists and Entrepreneurs. Do you think that we cannot survive without merging politics with purely economic issues? Has your political activity influenced your economic views?

[Yevtukhov] Politics and economy, in my opinion, are closely connected with each other. It was not quite a correct policy which has caused the turmoil in the economy. It is politics, incidentally, which is hampering the restoration and stabilization of this economy today.

Why? Some people have felt nostalgia for the past: That is to say, we had a better life earlier, under the communists. However, it was Mikhail Sergeyevich Gorbachev, CPSU Central Committee general secretary, who begun breaking up the economy. A majority of politicians are now trying to forget about this. The process of ruining is stimulated not only by the market reforms currently under way in Ukraine. The economy does need reforming. Having worked in the production sphere for 20 years, I remember many programs that, starting from the 1960's, were proposed to increase the production efficiency. We have lived through the economic councils [radnarhospy], which were created to increase the production efficiency, as well as through the team contract

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system, the self-supporting economic system, and the complex system for controlling [production] quality.... Yet none of these economic reforms produced the expected results, because to produce them, they should have been imbued with other principles — with those being implemented in life today. Positive changes could have been achieved without ruining the economy, only by introducing corrections. This, of course, required political wisdom and courage, as well as an organized and well-considered approach to reform. Instead, we have been thrown into an economic chaos at first, while now those wanting to come out of this chaos are blamed for the current life's hardships.

Therefore, speaking about the interdependence of economy and politics, I want to stress that we can survive and improve the crisis situation in the national economy only by coordinated actions in both the political and economic spheres, providing our objective is not our own prosperity, but the prosperity of Ukraine, of our children and grandchildren.

[Samsonenko] I fully agree with you. However, how can we achieve this much needed mutual understanding, when in life we often see quite the opposite situation, including sometimes, so to say, attitudes of open profiteering and gaining political capital on energy problems?

[Yevtukhov] There are currently many talks about the preparation for winter and the energy crisis. Donbass is not at the bottom of the list in these talks. This is a fact. The fact is also that the miners are raising absolutely just issues which need to be resolved. The problem of Donbass, however, has arisen already in the times of developed socialism. If someone thinks that this problem can be solved during several days, he is deeply wrong. Moreover, I have an impression that certain political forces, as you justly noted, are simply playing their political game against Ukraine. I feel very sorry for the miners, who at first were manipulated by Mikhail Gorbachev stating that "you take them from the bottom, while I take from the top," subsequently by other political forces, and now additionally by some other people.

Have the miners really not had enough of being continually involved in dirty political games? It is especially strange, because while meeting with strike committee leaders and trade union leaders of various political hues, we can always find mutual understanding and common language. There are no cardinal disagreements between us with regard to solving the existing problems. However, this should be done comprehensively, without grabbing chances only for one side. Theoretically, it is possible to increase the miners' wages 2.7-fold. But this will automatically increase prices. It is also possible to raise a question of earmarking funds for the reconstruction of mines, but please, tell me, where are these funds? Therefore, while supporting the miners' demands on the whole, we have to look for a solution jointly.

In addition, the miners should at least realize that politicians sometimes use them as pawns, not opening their eyes to economic problems. For example, why are the Donbass mines' fixed assets nearly used up? Because, starting in the 1960's, amortization withholdings that were intended to work for restoring the fixed assets, were directed to Kuzbass, which was less expensive to master. The capital investments per capita in the industrial sector in Ukraine at that time were 1.5 times lower than in Russia. Amortization withholdings from Ukraine's metallurgical branch and mining industry were directed to other regions of the USSR. This was a normal phenomenon in the former USSR. But now?

[Samsonenko] As people say, there is no need for comment. Vasyl Ivanovych, with what spirits did you accept your new post? Charging you with responsibility for the fuel and energy complex, mildly speaking, is like sending you for an attack, in which no laurels can be won, is it not?

How do you assess the situation of your sector? Do you have any reliable information about this situation, about what we have there and how we use it?

[Yevtukhov] It is true, I have to work in a very difficult area. I realize that I will surely be the first to get hit. As a matter of fact, I could continue undisturbed with my work in the Union of Entrepreneurs and Industrialists and criticize the government. However, I have no place to run to: I have grown up here, and it is we alone who have to recover from the mess that we have made. Do not think me pathetic in saying this.

Ukraine today is very dependent on supplies of energy resources from Russia. In my opinion, we have to maintain normal, equal, and beneficial relations with this country. However, we can arrange for drawing benefits from these relations only if there is a mutual will to do this. Unfortunately, Ukraine is not always assisted in this by the Russian side. It should be admitted, though, that we were not always right, either. The roots of these problems are planted in our recent history. Four years ago, we actively opted for the preservation and development of interministerial cooperation and the establishment of economic ties, without which our enterprises could not operate. Even if these ties were very much politicized, it was stressed all the time that they should not be broken. This was correct. However, at the same time, our poor state was simply financing Russia. We were shipping products for which we were

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not paid. When the Ukrainian Government tried to resolve these questions with the Russian Government, the answer was that we were not paid by economic entities and, so to say, we should sort out things with them. Due to these "market conditions," the money not paid in 1992-1993 has stuck in Russia for good. Now it turns out that we owe Russians for energy resources. Formally, it is correct, but in actual fact? Likewise, from the formal point of view, we have developed all oil deposits in Siberia and Tyumen, but what have we received for this in actual fact?!

As of today, it is practically impossible to obtain any information about both the debt to Ukrainian enterprises and the just distribution of working capital, as well as cooperation in the fuel and energy complex. This information was being stored in USSR ministries and, of course, has now been transferred to Russian ministries, which use it to their own benefit. Do we have information about prospected mineral deposits? Yes, we do. This information testifies to the fact that Ukraine is rich in minerals. However, to use this information and dispose of our natural wealth, we need time and unity of our society to do this.

[Samsonenko] As we touched upon the topic of our relations with Russia, could you tell us at which stage we are with the problem of domestic debts and payments for energy resources to our main suppliers?

[Yevtukhov] As of today, we are fulfilling our obligation to Russia. In particular, Ukraine had to pay $100 million prior to 10 September, and Ukraine paid it. Appropriate payments have been made to Turkmenistan, but we still owe $25 million in debts, which we will pay in the near future.

There also are arrears in current payments, but their settlement depends on our domestic policy. Thus, the Ukrainian Ministry of Power Engineering needs 6 trillion karbovantsi [K] to buy the necessary amount of fuel for winter. At the same time, only over the first six months of the current year the Ministry of Power Engineering lost K6.1 trillion because of preferential tariffs for electricity. Thus, it turns out that, due to the lack of funds, there is no electricity not only for those paying preferential tariffs, but also for others. Is it advantageous? No, it is not. All should cost as much as it costs in actual fact. This economic axiom, however, comes into an immediate collision with politics and various speculations.

In terms of populism, this topic is certainly very rewarding. But it also expands the industry's ruin and, in addition, is directed toward undermining our statehood. I will support my words by only one example. Dozens of categories of citizens are entitled to free public transportation. However, can you name a single driver who works for free? Therefore I ask: At whose expense are those privileges maintained? If there is no answer for this question it is senseless to talk about the social protection of pensioners.

[Samsonenko] Let us address our economic realities. What is the reason for the fact that, while having the powerful mining industry and large coal deposits, we buy fuel from Poland, thus denying work to our coal miners, who are suffering hard times anyway? How is the government going to cut this Gordian knot of problems in Donbass?

[Yevtukhov] The problem is in resolving a complex of mining issues of both economic and social character. In particular, it includes lowering the coal price by eliminating all costs that are not connected with the coal production. This primarily refers to outlays on the social protection sphere, which are a general economic problem, not only in the mining sector. This problem is also acute in the machine building industry and metallurgy. The government is planning to resolve this problem. Another problem is the productivity of mines. There is a whole chain of issues ranging from the quality of deposits to the organization of mining, enriching, and selling.

Another problem is increasing the labor discipline in mines, as well as regulating wages in both the mining sector and the national economy as a whole. The miners are right in asserting that miners' wages and pensions are also being drawn by people who have never seen a coal mine.

There also arises a disputable issue of placing the social insurance fund under the management of mining collectives. I think that the miners are not aware of the fact that they are doing harm to themselves. Quite recently, they demanded to create the Ministry of Coal Industry. The ministry has been created. Well, has the ministry resolved all of their mining problems? Miners went on strike earlier, miners go on strike now. Possibly, there are other reasons? They do not understand that the point is not in the ministry, that there are deeper, nationwide plights that cannot be overcome by the government in one industry taken separately even if the government has the utmost wish to do this. The government must take a complex approach, which should necessarily be supported by the population.

While supporting the miners' idea about increasing the prestige of their profession, I want to stress that also the miners' work itself should be productive. Wages should be paid not only for the sole fact of going down and up a mine, but also for a specific amount of coal mined! Someone may contradict me by saying that there is no

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money for the renovation of fixed assets and equipment. Taking into account different mining conditions in terms of mining difficulties, the miners propose to adequately divide profits among them. I agree, this should be done. But in which way? Should this be done by way of pensions, as it is being done in the civilized world, or — as certain "coal mining generals" have proposed — by the Ministry of Coal Mining? The ministry today, however, is incapable of justly taking away money from some people and giving it to others.

The miners' problems have not appeared today or yesterday; they have been bred by the administrative-command system of the former Soviet Union. Therefore, all must understand once and for all that it is impossible to solve these problems immediately, even at the expense of other industries. We must not put all blame on Ukraine; we must blame the system, which people wanted to reform, but, for the time being, produced no results. This is where the problems stem from.

[Samsonenko] The last question, Vasyl Ivanovych. Can Ukraine's citizens be sure that they will live through winter without problems, in warm apartments?

[Yevtukhov] If the rural residents buy coal, there will be no problems with heat for them.

Regarding the urban residents, I have reported to the president that the situation is difficult, but not hopeless. There are many problems with both finances and the discipline in localities. For example, some high-level bureaucrats in rayons wildly shout in the press and television about the preparation for winter. I do not understand this: It will not become warmer from shouts. Why create a morbid public mood when it is necessary to work?

To normally live through winter, we should mine 90,000 tonnes of coal per day. In fact, we mine nearly 70,000. Incidentally, the Ministry of Coal Industry is the worst in terms of the preparation for winter. Only 58 percent of boiler houses for heating apartments are ready for work today.

Therefore, I repeat, the situation with living through winter is difficult, but not hopeless.

[Samsonenko] Thank you for your interview.

Atomic Plants To Yield 40% of Winter Electricity

AU0510145695 Kiev HOLOS UKRAYINY in Ukrainian 4 Oct 95 p 3

[Unattributed report from Kiev: "What Nuclear Plants Produced Over Nine Months"]

[FBIS Translated Text] At a news conference held by Mykhaylo Umanets, chairman of the State Committee for Atomic Energy, statistical data on the performance of our atomic electric power plants [AES's] over nine months of the current year were made public. Over this period of time, Ukrainian AES's produced 52.35 billion kilowatt/hours of electricity. This is 4 percent greater than over the same period last year. The plan for production of electricity over nine months was fulfilled by 97.4 percent. Vasyl Kotko, deputy chairman of the State Committee for Atomic Energy, explains this not sufficiently high index by the fact that the Ministry of Energy's debt to the State Committee for Atomic Energy is about 30 trillion karbovantsi. Over nine months, atomic specialists were only paid 62 percent of the cost of electricity consumed, including 13 percent in cash and 49 percent in the form of barter. Mykhaylo Umanets stressed that the difficult financial situation in the branch is not only due to nonpayments, but also to the unjustifiably low rates set for electricity consumption.

According to the chairman of the State Committee for Atomic Energy, AES's intend, during the winter period, to maintain the level of the preceding year and produce 40 percent of Ukraine's electricity.

Crimean Assembly Discusses Winter Preparations

LD0610092595 Moscow INTERFAX in English 0026 GMT 6 Oct 95

[FBIS Transcribed Text] Simferopol, October 5 (Interfax- Ukraine) — Crimea's government is taking vigorous steps "to ensure stable conditions for winter time", Vice-Premier of Crimea's government Arkadiy Demidenko told the autonomy's parliament session Thursday.

Crimean lawmakers are discussing the report by the autonomy's government on preparations for winter. The Crimean government is attending in a body the current session.

According to Demidenko, the government has stepped up the effort to procure fuel and started the construction of wind-power stations. Under way is also an effort to put to use subterranean hot water sources, manufacture has been started of portable cast-iron stoves, electrical and gas meters, measures are taken to ensure an austere economy regime and enhance efficiency in the use of all types of energy.

By now, 86 per cent of housing has been prepared for winter, 63 per cent of musoute [as received] necessary for the heating systems has been stored and 87 per cent of gas necessary for domestic use has been pumped into underground storages.

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Meanwhile, Crimea has now only 40-48 per cent of coal for the heating of housing, while electric power stations have from 30 to 100 per cent of their ten-day supply of fuel, the quota of the sale of coal to the population has been reduced down to 500 kg, the actual demand being 2500 per household.

The populated localities inhabited by once deported citizens, who returned to Crimea, are in a particularly difficult situation, since electricity supply for them meets only 70 per cent of their demand and in most cases there is a severe shortage of gas and coal supplies, most of them lacking even paved roads. A total of 116 thousand of citizens, who returned from forcible exile (the actual number of persons who returned to Crimea is estimated at 250 thousand - IF-Ukraine note) have no homes of their own and are forced to rent rooms.

According to the vice-premier, the supply of energy resources of Crimea is hampered by the backlog of debts of consumers which has reached 4.7 trillion krb for natural gas, 5.7 trillion krb for electricity and more than 3.3 trillion krb for tap water.

Crimea produces only eight per cent of electricity it needs and 2.2 million cu m of gas, the demand being 2.3 billion cu m.

To resolve the non-payment crisis, Demidenko said, Crimea's parliament and government are planning to request the Ukrainian Cabinet that it appropriate additional 450 billion krb for fuel purchases.

He expressed confidence that the measures taken by the government will ensure a stable situation in winter time.

Economic Issues

Commentary on Use of Two World Bank Credits

AU0510143995 Kiev URYADOVYY KURYER in Ukrainian 3 Oct 95 p 3

[Commentaries by Roman Shpek, vice prime minister in charge of economic issues and Pavlo Haydutskyy, minister of agriculture and foodstuffs: "Two Credits Granted by the World Bank"]

[FBIS Translated Text] **On 28 September, Ukraine's Vice Prime Minister Roman Shpek and Ukraine's Ambassador to the United States Yuriy Shcherbak, together with Basil Kovalsky, head of the World Bank Eastern European Department, signed in Washington two accords on granting our state a loan in the sphere of water-power engineering and seed selection. The former accord is on granting Ukraine a credit totalling $114 million for implementing the program for rehabilitation of Dnieper electric power plants that have been in operation for almost 30 years and the latter — $32 million for creating enterprises that will engage in grain selection. The two credits are advantageous for us: They have been granted for 17 years, and only have to be repaid starting five years from now. The annual interest rate for the former credit is 8.5 percent and for the latter — 7.09 percent.**

The accords are commented upon for URYADOVYY KURYER by members of the Ukrainian governmental delegation:

Vice Premier Roman Shpek:

Owing to the accords that have been reached, Ukraine has access to new credit lines that will be used in those vitally important spheres that have been outlined by the Supreme Council and Government. These branches — the fuel and energy complex and agriculture — are decisive for the Ukrainian economy. Incidentally, private investments, as well as World Bank credits can be used for their development. Loans for these branches, in the given case for water-power engineering and seed selection, will enable us to concentrate efforts and funds in these sectors and gradually increase the efficiency of their performance.

Alongside rehabilitation of the hydroelectric power plants, also on the agenda is the question of reorganizing the performance of thermal electric power plants and of the coal industry. All of this is directly relevant to the budget and to the balance of payments. It is also quite obvious that solving the problems of the fuel and energy complex will provide impetus to the development of all other branches of the Ukrainian economy.

Pavlo Haydutskyy, minister of agriculture and foodstuffs: The World Bank credit in the sphere of seed selection will enable us to build three plants: In Odessa — for corn seeds, in Zaporizhzhya — for sunflower seeds, and in Sumy Oblast — for sugar beet seeds. These three enterprises will make it possible for us to take our first steps toward employing advanced technologies for seed processing. In fact, we need seven such plants at the beginning. That is why negotiations are now under way on granting us credits for building another four enterprises. The first three of these are being built on the basis of already existing plants, where highly efficient American equipment will be installed using World Bank loans. This is very significant assistance for us in obtaining high-technology and high-quality seeds of the aforementioned crops. If all the seven plants start operating, they will satisfy our priority needs for corn, sunflower, and sugar beet seeds. Ukraine needs a total of 19 such plants. We are going to implement this long-term program not only with the help of the World Bank credits, but also by other means. When it is fully

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implemented, we will be able to provide for our entire needs with seeds processed on a high- technology industrial basis, and we will no longer have to purchase them abroad.

Trade Unions Complain of 'Ridiculous' Wages

MM0610132695 Moscow RABOCHAYA TRIBUNA in Russian 6 Oct 95 p 1

[Report by Georgiy Dolzhenko under "Sign of Trouble" rubric: "Slaves or Heroes?"]

[FBIS Translated Text] Kiev — Enterprises in defense sectors and machine building are on the brink of collapse today. Representatives of Ukraine's nine largest trade union associations declared this at a joint session.

Production volumes here have fallen by more than 50 percent in recent years, and by 70-80 percent in some places. Many working people are on compulsory leave. The average wage stands at 6 million karbovantsy, and 3 million in radio electronics. There are enterprises with wages of 1 million karbovantsy. With a loaf of bread costing 40,000 karbovantsy, this is a ridiculous amount.

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Belarus

Foreign Minister on Integration, Nuclear Withdrawal

LD0610102295 Moscow Mayak Radio Network in Russian 0800 GMT 6 Oct 95

[FBIS Translated Text] A meeting has taken place between journalists and Uladzimir Syanko, head of the foreign-policy department at the Belarusian Foreign Ministry press centre. Over to our Minsk correspondent, Petr Makritskiy, for some details.

[Makritskiy] It must be said that the briefing created lively interest because here it was possible to obtain answers to a whole range of questions that are of concern to people other than the press. Uladzimir Syanko spoke in detail about the foreign-policy discussion at the UN General Assembly and the results of the meeting of the Council of CIS Foreign Ministers and he dwelled on Belarus' stance on Yugoslavia and the Balkan conflict.

In reply to a correspondent's question about the economic and political integration of the Republic of Belarus with Russia, the minister gave the following answer:

[Begin Syanko recording] A great deal has been written about that recently. Maybe more is being written than is actually being said. The source of this is known to you. You also know that recently a statement was made by Russia's Federation Council. I think that on the territory of the former Soviet Union today there are more or many millions who nostalgically recall what still existed 10 years ago. It is beyond doubt that quite a few of these people would like to return to something that existed earlier, including a state framework. Is it realistic to think of the reunification of Belarus with Russia? That is certainly not an easy question. It seems that what is realistic today is that the slogan has been aired sufficiently for the public to vote for it actively or passively. I have put my view on the subject quite unambiguously, I think. The sovereignty of the Republic of Belarus, which it acquired just a few years ago, is an historic chance for our state, and I am sure that we must make use of it in precisely that way. [sentence as heard] [end recording]

[Makritskiy] The withdrawal of Russian nuclear forces from the territory of Belarus can be seen as one of the global problems. The journalists were not slow in asking about that, especially since statements have appeared to the effect that their withdrawal has been suspended until a political decision has been made. It is reasonable to ask: What decision?

[Begin Syanko recording] As for the procedure for the withdrawal of the Russian strategic nuclear forces from Belarus, we are continuing to implement that procedure in accordance with the previously agreed plan. It turns out that certain problems arose here recently. These problems were raised mainly by the Belarusian side so that our Russian partners should abide by the terms for the troops' withdrawal. [end recording]

Moldova

Parliament Urges Release of Dniester Political Detainees

AU0510141195 Chisinau INFOTAG in English 1930 GMT 4 Oct 95

[FBIS Transcribed Text] Chisinau, October 4 (INFOTAG) — The Moldovan Parliament has passed a resolution aimed at intensifying diplomatic measures to release political prisoners. It contains an appeal to international organizations to help liberate Parliament Deputy Ilie Ilascu and other political prisoners being kept by Tiraspol. The authorities in the self-styled Dniester Republic have sentenced them to various terms of imprisonment for committing terrorist acts during the 1992 armed conflict in the region. "Only an urgent interference by international agencies may save the life of the illegally accused Moldovan citizens and curb the use of medieval practices in the democratic Europe," the document reads. It expresses hope for an adequate reaction by international forums "to be backed with concrete actions which will be able to force the Tiraspol authorities to free the political prisoners."

In conformity with the resolution, Moldovan diplomatic missions abroad have been instructed to double their efforts to internationalize the problem of the political prisoners' liberation. The government has been requested to regularly provide information on measures undertaken to release the Ilascu group.

The resolution has been adopted on the initiative of the Popular Front. Speaking in parliament last Friday, the Front leader Iurie Rosca accused the Moldovan authorities of being passive and weak in struggling for the lives of the prisoners who have been staying in Tiraspol prisons for over 3 years by now.

PDAM Paper Claims Snegur Goal is Presidential Republic

AU0510150895 Chisinau BASAPRESS in English 1930 GMT 4 Oct 95

[FBIS Transcribed Text] Chisinau 04/10/1995 (BASApress) — Judging by the recent declarations by President Snegur, his and his party major goal is to strengthen Moldova as a presidential republic and to limit the power of Parliament, Moldova Agrarian Democratic

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Party (PDAM) newspaper, THE ECHO OF CHISINAU, writes. The article signed by "the analytical service of the newspaper" shows that the current head of state aims to "fully subordinate the governmental activity with a view to force the reforms and open a new epoch for Moldova. But who can give us guarantees that the 'velvet' dictatorship of the transition period will not grow tougher," the author of the article asked. He stated that the Moldovan Constitution fits into the European policy tradition, which provides for two functions. It claims the president the head of the state and endows the head of the government with executive power. Article 77.1 of the Constitution undertakes that the Moldovan president is the head of the state, and, according to article 101.1, the prime minister heads the government and rules its members' activity. "In this model of state organization there are two fundamental problems, and namely, the relationship between the head of state and the head of government, as to their tendency to be the boss in governmental policy ruling, and the conflict between the president and the Parliament in the control of governmental activity," the article reads. "I wonder whether the 1970's situation from the United States, when the Congress, the Supreme Court, the press and other social groups formed a strong antipresidential coalition, will repeat in Moldova of 1990's," said the author of the article.

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Kazakhstan

President Meets Heads of Republican Banks

LD0510210595 Almaty Kazakh Television First Program Network in Russian 1500 GMT 5 Oct 95

[FBIS Translated Excerpt] Today Kazakh President Nursultan Nazarbayev met representatives of 23 banks of the republic. The topic of the conversation was the necessity to improve the whole banking system and its role in reforming the economy. Our correspondent Mayra Abdrakhmanova has more details.

[Abdrakhmanova] This is the first meeting of our head of state with Kazakhstan's bankers after the adoption of the laws on banks, the banking system and on the National Bank. [passage omitted]

All the same, today there was a candid and serious conversation mostly about shortcomings in the activities of our banks. The president was interested in the reasons why transfers of payments are taking so long, there are no fixed and simple procedures for carrying out financial operations and for cash circulation, and the relations between the commercial banks and law-enforcement organizations. As for the latter, all were unanimous on the issue of confidential accounts: the law enforcement organizations' representatives cannot demand any documents from a bank employee without court permission, and the more so if they are to do with private deposits.

[Begin Nazarbayev recording] Your profits and wealth will come when the production starts to work. You see what directors of plants and entrepreneurs say: they say that they hear that changes are taking place in the country, but there is no growth; we are feeling that the growth is about to start, but just feeling this. I am asking you, bankers, to do it yourselves. Ten percent is the maximum. [end recording]

[Abdrakhmanova] In his speech, Chairman of the National Bank Daulet Sembayev noted that today in Kazakhstan there are 140 banks, of which 75 are located in Almaty. The largest network of foreign and joint banks is also here. Therefore he proposed to give our city a definite status as financial capital of the Central Asian region. Another proposal by Daulet Sembayev was also voiced today: to mark the date of the introduction of the Kazakh national currency, 15 November, as the day of bankers.

Nursultan Nazarbayev supported the proposal put forward by Chairman of the People's Savings Bank Zeynulla Khakimzhanov to modernize the banking system through introducing modern banking technology, putting into operation plastic cards — and all this shall not be taxed. The head of state noted that for shaping a normal banking system it is necessary to support domestic financial institutions by creating favorable conditions for them and to distribute statistical data more broadly. The necessity to expand the regional banks' network was also talked about, provided that all banks will be on equal terms without privileges and exceptions. In brief, a certain stage of the economic reform has been passed through, next is implementation of the laws which have been adopted.

[Begin Nazarbayev recording] Today the conversation was on this topic: Our banks should not strive to become rich as soon as possible using the current economic difficulties, but try to gain people's trust. I hope that our banking system — which is like an artery in any state, a blood vessel of the economy — will rise. The more so as the Law on Banks and the Banking System and the Law on the National Bank are providing all the conditions for the banks' development in the conditions of the market economy. [end recording]

Kazakhstan Cuts Broadcasts of Russian Television

LD0610103395 Moscow Russian Television Network in Russian 0800 GMT 6 Oct 95

[From the "Vesti" newscast]

[FBIS Translated Text] Public and political organizations of a number of regions of Kazakhstan have announced their decision to stage protests against cuts in broadcasts of Russia's television channels on the territory of the republic. At present, according to a new broadcast schedule which has been submitted by the Kazakh Television and Radio Corporation, the broadcasting of Russian Public Television will be halved and the broadcasting of the Russia TV channel will be cut by two-thirds.

For various reasons, in many regions of Kazakhstan Russia TV could be watched for no more than two or three hours a day. Officials explain this by the critical situation of the state budget of Kazakhstan which is allegedly not able to pay for more than five hours a day of broadcasting, in particular of Russia TV channel. In addition to this, both Russian channels owe a multibillion sum to Kazakhstan.

At the same time, the head of the Kazakh State Television and Radio Committee suddenly made a decision in accordance with which the work of regional television companies will be transferred to the Russia TV channel and this is explained by the need to fully cover the reforms in Kazakhstan in conditions of presidential rule. Such an explanation will make it possible for the deputy assemblies of the northern regions to describe what is happening here as a provocation which is capable of harming interethnic relations and of accelerating the emigration of the Russian population.

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Kyrgyzstan

Bishkek for Central Asian Peacekeepers Under UN Aegis

LD0510223295 Moscow ITAR-TASS World Service in Russian 2027 GMT 5 Oct 95

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Translated Text] United Nations, 5 Oct — Kyrgyzstan, jointly with Kazakhstan and Uzbekistan is for the creation of subunits under the aegis of the United Nations to support peace in Central Asia. The Kyrgyz Foreign Minister Roza Otunbayeva said this at the 50th session of the UN General Assembly. "We are sure of the necessity to have such operational UN peacekeeping forces, in reserve, which can act in extreme situations," Otunbayeva said.

She called for the creation in Central Asia of a zone free from nuclear weapons. "So as to make the world more secure all other types of zones are necessary for us, not only nuclear free but also zones free from conflicts. Central Asia can become such a proving ground," the minister noted.

The Kyrgyz representative called for adopting Germany and Japan to the permanent members of the UN Security Council. "Being one of the major contributors to the UN budget these countries play an increasing role in strengthening peace, promoting development, and democracy," Otunbayeva stressed.

Communist Party Emerging as 'Serious Force'

MM0510140695 Moscow PRAVDA in Russian 4 Oct 95 p 2

[Report by Yuriy Razgulyayev: "Masaliyev Returns"]

[FBIS Translated Text] Bishkek — A new leader was elected at a plenum of the Central Executive Committee of the Party of Communists of Kyrgyzstan, held in Bishkek. Absamat Masaliyev, who was the first secretary of the Communist Party Central Committee back at the end of the eighties, became chairman of the party Executive Committee. He replaced Sherala Sydykov, who left his post "because of a full workload in the Supreme Council."

But this is most probably a purely formal reason for his retirement. Because A. Masaliyev also works in the Supreme Council, and not just as deputy chairman, but actually as chairman of the Assembly of People's Representatives. The main reason for his "return to power," I think, lies elsewhere.

Kyrgyzstan's Communists are gathering their forces before the presidential elections scheduled for December of this year. Askar Akayev's five years of rule have brought nothing good to the Kyrgyz people. Almost everything has been destroyed — from collective farms to the biggest industrial giants.

And only the som stands proudly among these ruins — the reformers' main achievement. But it can be a symbol of prosperity only for those who do not know the real state of affairs in the republic.

The people have long since realized all this, and people recall more and more often the "stagnant years," when there was confidence in the future and when children, irrespective of their nationality, were guaranteed not only primary and secondary, but also tertiary education.

The people hanker not after the past, but after what we formerly simply did not notice, what we considered as natural as the air we breathe. And against this background the entirely realistic prospect opens up before the Communists of making their mark in the forthcoming elections as a serious force capable of influencing the political situation in the country.

Tajikistan

'Mafia Bosses' Netted in Army Units' Shootout

MM0510111695 Moscow PRAVDA in Russian 4 Oct 95 p 5

[Report by correspondent Alisher Niyazov: "Mafia Boss Yunus Arrested"]

[FBIS Translated Text] There is a slight hint of euphoria in the corridors of Tajikistan's power ministries. Contrary to people's fears, the military conflict between two Army brigades stationed in the south of the country has been taken firmly under control, according to the country's general prosecutor, A. Azimov. Thanks to the efforts of the Tajik Security Ministry and Internal Affairs Ministry, more than 20 of the most zealous mafia bosses are now under arrest; for three months in succession they have been settling their differences with the aid of armored equipment and soldiers in active service. Numerous checkpoints manned by Internal Affairs Ministry special subunits have been set up in the oblast's administrative center, and checkpoint procedures have been tightened up on all approaches to the city of Kurgan-Tyube.

Tajik power ministry personnel feel that their recent successful operation to capture Yunus Norbutayev, who has the reputation of being the godfather of the local mafia in southern Tajikistan, is particularly to their credit. Before his arrest, Yunus Norbutayev acted as commander of an assault landing battalion in the 11th Brigade.

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"The blame for the chaos and criminal lawlessness in the oblast rests entirely with Yunus and the servicemen in the 11th Brigade with whom he is closely associated," the other side in the conflict, the Tajik Defense Ministry's First Brigade, is now shouting from the rooftops. Its young, energetic commander, Colonel M. Khudoyberdyyev, is still convinced that "there was no alternative to the tank attack we launched on 17 September. Otherwise, people like Yunus would have stripped the oblast of its last brick." I should remind you that on the morning of that day at least 15 tanks with powerful artillery support attacked the 11th Brigade camp. After a brief skirmish, which lasted no more than 45 minutes, the "Makhmud battalion," as it has been christened by local residents, put the enemy to flight. The victors seized a lot of equipment as trophies, but they failed to resolve the main task. Yunus Norbutayev and his retinue managed to take cover in a population center not far from where the captured brigade was stationed. The beaten mafia boss vowed to the nation that he would get even with the commander of the First Brigade and announced that he was mobilizing his supporters among former People's Front militants.

The central authorities, which for a long time had tried to turn a blind eye to the escapades of the "national heroes," adopted a series of vigorous measures after the tank battle of 17 September, which, incidentally, was very closely monitored by the Tajik opposition. A government commission headed by the republic's general prosecutor worked in Kurgan-Tyube for more than a month to establish the circumstances surrounding the conflict. At the end of September, the commission managed to persuade M. Khudoyberdyyev to withdraw his heavy weapons to their permanent deployment positions. The First Brigade laid down the following terms in response: "Arrest and bring criminal charges against Yunus and his associates." As it later transpired, it got its own way in the end.

According to witnesses, Internal Affairs Minister Saidamir Zuhurov brought Norbutayev to Dushanbe himself.

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Armenia

EU Commissioner Discusses Cooperation With Yerevan

LD0510205395 Moscow ITAR-TASS in English 1805 GMT 5 Oct 95

[By Tigran Liloyan]

[FBIS Transcribed Text] YEREVAN, October 5 (Itar-Tass) - Talks will start next week to negotiate a cooperation and partnership agreement between the European Union (EU) and Armenia, member of European Commission Hans van den Broek said in Yerevan on Thursday, the final day of his visit to Armenia.

He said that the European Union had signed similar documents with Russia and some other members of the Commonwealth of Independent States.

Speaking at a news conference before leaving for the Georgian capital, Tbilisi, he expressed satisfaction with the results of the Yerevan talks, particularly with the signing of a memorandum on food deliveries and agricultural assistance by the European Union to Armenia.

According to van den Broek, this document lays a foundation to cooperation among the three Transcaucasian countries and will allow to boost EU Union relations with them.

The European Commission member also discussed providing Armenia with technical assistance. He said he was greatly impressed with Armenia's immense progress in carrying out political and economic reform on the way to a free market economy.

A cooperation and partnership agreement may prove effective only if peace and stability guarantees are offered, he said.

The European Union called on both Armenia and Azerbaijan to do their best to solve the Nagorno-Karabakh problem, he said. The EU will, to the best of its abilities, help push forward the Minsk process on Nagorno-Karabakh backed by the Organisation for Cooperation and Security in Europe.

The EU called the countries to develop regional cooperation which will promote the social and economical growth of the region, he said.

The level and character of EU partnership with the counties will depend on this, he stressed.

Asked by Tass, he said that the soonest possible integration of Armenia into the international economic system was one of the most urgent issues.

Van den Broek mentioned it at a meeting with Armenian President Levon Ter-Petrosyan when he said the EU was interested in promoting political dialogue with Yerevan.

After paying a visit to Catholicos of all Armenians Garegin I, head of the Armenian Apostolic Church, van den Broek left for Tbilisi.

EU Commissioner Gives News Conference

NC0510211095 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 5 Oct 95

[FBIS Translated Text] EU Commissioner Hans van den Broek held a news conference today at the government guest house. Our correspondent Anush Harutyunyan was there.

[Begin recording] [Harutyunyan] As we reported, an agreement was signed yesterday between EU Commissioner Hans van den Broek and Armenian Prime Minister Grant Bagratyan relating to aid to Armenia in the food and agricultural sector. Van den Broek noted with satisfaction today that this agreement will form the basis for cooperation among the three regional republics. As for programs of cooperation between Armenia and the other regional republics, van den Broek said:

[Hans van den Broek's statement in English superimposed by Harutyunyan's Armenian translation] This agreement gives us a great opportunity to enlarge our cooperation with the three regional countries. Next week we will start the talks on the agreement on cooperation and partnership with Armenia. We had productive talks with the Armenian energy minister, as we have major programs for the energy sector in Armenia. We were very impressed by this country's progress in the political and economic field and in the transition to the market economy. It is to be hoped that the cooperation and partnership agreement will not require prolonged negotiation. Naturally, this agreement can only be productive if peace and stability are established in the region. Azerbaijan and Armenia have been asked to exert every effort to find a solution to the Nagorno-Karabakh problem. Countries cannot choose their neighbors or their geographical location, and cooperation between countries is the precondition and guarantee of economic success. [end recording]

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U.S., UK Said Pro-Baku in Karabakh Issue

MM0510155195 Moscow PRAVDA in Russian 4 Oct 95 p 5

[Article by Boris Mkrtchyan: "Shadow of Bosnia Over Karabakh. The Armenian-Azerbaijan Conflict: The Guns Are Silent, Diplomats Are Talking"]

[FBIS Translated Text] Yerevan — The other day Armenian Deputy Foreign Minister Vardan Oskanyan gave a press conference on the results of the meeting in Moscow of the OSCE's Minsk Group for the Settlement of the Karabakh Conflict. The diplomat noted that the Moscow meeting was more successful than all its predecessors, that the sides were more amicably disposed to one another, and reached certain compromises.

It is these possible compromises which most of all occupy the minds of the citizens of the two neighboring republics — Armenia and Azerbaijan. After all, the permissible boundaries of mutual concessions and compromises in the settlement of the Karabakh problem are determined by each of the sides differently. In Armenia, for example, and in Karabakh they do not reject compromises as long as the population of the Nagorno-Karabakh Republic retains its right to self-determination. But in Azerbaijan they cling on to the principle of the integrity of borders.

In both Armenia and Karabakh, people are seriously pondering the lessons of Bosnia. Today it is already obvious that the West has adopted a blatantly pro-Croat, pro-Muslim stance in the Balkans, and is unwilling to take on board the arguments of Moscow or the opinion of the UN Security Council in this matter.

The West has extraordinary interests in Azerbaijan: The share of U.S. monopolies in the consortium exploiting Azerbaijani oil deposits in the Caspian Sea exceeds 43 percent, and the share of British monopolies is over 18 percent. Hence more than 60 percent of Azerbaijan's sea oil goes to Anglo-Americans!

Given that that is the case, will two of the world's leading states stop at playing the "Bosnian scenario" card in Karabakh and resolving the long-running conflict in favor of Baku? There is indeed much to ponder seriously here. It is well known that confirmation of the final route of the oil pipeline from Baku to Europe will be given in the Azerbaijani capital 9 October. Passions have already been seething for a long time over this pipeline — each of the consortium's member countries is vying for a particular route. And it is by no means accidental that politicians have been stepping up their visits to Baku in recent times. UN Deputy General Secretary Aldo Agello also came here. And only the other day the U.S. Embassy in Baku stated that "Washington respects the territorial integrity of Azerbaijan." After such statements from the mighty of this world, journalists in Yerevan write: "...Of course, it could not be otherwise. We are no better than the Serbs. Even Russia, we think, will not put in a word for us." As far as this last statement is concerned: Let us wait and see.

But how does official Stepanakert see the prospects for a peaceful solution to the Karabakh problem? There they already know, of course, that in ceremonies in Baku devoted to the memory of Gadzhibekov, a classic of Azerbaijan music, President Geydar Aliyev described the Armenians as aggressors and stated that Azerbaijan will definitely win back not only all the land it has lost, but Karabakh as well. And as if in reply to Aliyev's statement, Arkadiy Gukasyan, foreign minister of the Nagorno-Karabakh Republic, stressed in an interview to SNARK that "Karabakh has sufficiently serious arguments to defend its independence... We do not rule out the possibility of treaty-based relations with Azerbaijan. We do not rule out that there could be some kind of truncated statehood. There are many examples of this in world practice. But the point is that Nagorno-Karabakh should be a subject of international law... And here there can be no concessions on our side."

At the same time the head of the Nagorno-Karabakh Republic Ministry of Foreign Affairs noted that in no round of talks has he seen Azerbaijan prepared to give anything up; instead it seeks in the negotiating process to gain everything without sacrificing anything. "Azerbaijan's current stance is a demand for Karabakh's capitulation," Gusakyan said. In his interview he also expressed serious fears over the effectiveness of international forces in keeping peace; they will hardly be able successfully to assist a cease-fire regime. "After what happened in the Serbian Krajina and what is happening in Bosnia, we naturally have serious doubts as to whether these forces can be a serious guarantor of Nagorno-Karabakh's security," Gusakyan elaborated. "And for us, this is one of the most important issues."

How justified are Stepanakert's fears will probably be clarified by the forthcoming meeting between the Armenian and Azerbaijani presidents in New York during the celebrations of the United Nations' 50th anniversary. Incidentally, Robert Kocharyan, president of the Nagorno-Karabakh Republic, should also be in New York at this time; he has been invited there by Mr. Agello to continue the talks begun in Yerevan.

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Caucasus Special Border District Commander Arrives

LD0510191195 Moscow ITAR-TASS World Service in Russian 0932 GMT 5 Oct 95

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Translated Excerpt] Yerevan, 5 Oct — Issues of preparations of the troops for winter are the subject of a short visit to Armenia by Colonel General Viktor Zemtsov, commander of the Caucasus special border district. He will familiarize himself with the state of affairs in the "Armenia" military group of Russia's border troops. In an interview given to ITAR-TASS, the general has pointed out that issues of material and technical provision, preparation of equipment and armaments, major repairs, construction and financing will be discussed.

Armenian President Levon Ter-Petrosyan will receive the commander today. [passage omitted]

Azerbaijan

Aliyev, Russian Ambassador Discuss Delegation Visit

NC0510184195 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 5 Oct 95

[FBIS Translated Text] Azerbaijani President Geydar Aliyev today received Russian Ambassador Aleksandr Blokhin. Our correspondent Garanfil Khalilova reports:

[Begin Khalilova recording] Aleksandr Blokhin briefed the Republic's president on documents expected to be signed during the official visit to Azerbaijan by a delegation headed by Russian Deputy Prime Minister Aleksey Bolshakov. He noted that nine agreements have been prepared following active, constructive, and intensive work carried out up to this hour by expert groups from both countries. The ambassador said that noteworthy among these documents are the draft agreements on border crossings, cooperation in health and energy sectors, and the broadcasting of Russian television and radio programs.

The Russian diplomat noted that these drafts make it possible to establish the parameters of cooperation between Russia and Azerbaijan to the year 2000. Blokhin said he fully concurs with Aliyev in his justified criticism of Russia for failing to grasp until recently that Azerbaijan and Russia are strategic partners. Blokhin therefore stressed the need for cooperation in the economic as well as in the military-technical sector.

The Azerbaijani president said he held a telephone conversation with Russian Prime Minister Viktor Chernomyrdin in connection with the Russian delegation's visit and that he considers the visit by the delegation of ministers heading important Russian economic sectors as a positive step toward redeveloping bilateral ties. He also noted that the signing of additional documents cannot be ruled out. [end recording]

Russian Government Delegation Arrives

NC0510200395 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 5 Oct 95

[FBIS Translated Text] A delegation headed by Russian Deputy Prime Minister Aleksey Bolshakov arrived in our republic today on an official visit. Bilateral cooperation and issues of mutual concern will be discussed during the visit. Important documents are expected to be signed. Azerbaijani President Geydar Aliyev will receive the delegation. The guests are also expected to meet high-ranking state and government officials.

U.S. Envoy on Priorities in Caspian Oil Transport

MK0510140195 Moscow SEGODNYA in Russian 30 Sep 95 p 3

[Report by Arif Useynov: "The United States Is Interested in the Safe Transportation of Caspian Oil to the West, Because This Is Directly Related to the Protection of U.S. Investments in the Region"]

[FBIS Translated Text] There is no doubt that the Karabakh peacemaking process is still relevant, but only to the extent that the even more significant task of accessing Caspian oil deposits is relevant to the West, said U.S. Ambassador to Baku Richard Kauzlarich — with a frankness rare for a high-ranking diplomat — at a press conference on 27 September.

With 9 October fast approaching, when the international oil consortium leadership is to make public the route for the transportation of primary oil extracted at the Chirag-1 platform, Kauzlarich deemed it essential to brief the mass media on those changes (he described them as clarifications), which today are a priority for the United States. First of all, this is a recognition that the routes for the transportation of Caspian oil — both primary and main — should be multi-optional. The ambassador's explanation was quite convincing: The more oil pipeline routes there are, the greater the chances to ensure the safety of oil transportation and, therefore, multibillion [currency not specified] U.S. investments in the development of Caspian shelf deposits. The Americans are making this move based on the actual situation, primarily recognizing the absurdity of attempts to isolate Russia in "the regional oil policy of the Caspian."

Nothing came of the "regional superpower" idea. Turkey will get as much Caspian oil from the aggregate amount

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to transport on the Georgian line as it should — this is approximately how observers read Kauzlarich's admission at the press conference, although he did not elaborate on the details of the project, which the international consortium is preparing for promulgation.

Consortium expects believe that "clarifications" in the U.S. position occurred after the latest round of consultations by company directors in Houston. As one Western company leader who wished to remain anonymous told your SEGODNYA correspondent, Geydar Aliyev's constructive point of view prevailed: Azerbaijan does not intend to enter into confrontation with its neighbors and infringe its own national interests for the sake of U.S. corporate profits. In this situation it seems that the security and protection of millions of U.S. funds invested in the extraction of Caspian oil is simultaneously being linked with a settlement of the Karabakh conflict, because without peace in the region, Kauzlarich stressed, "the country's economic prosperity is impossible."

Clinton Said Accepting Dual Route Pipeline Option

MM0610091095 Moscow KRASNAYA ZVEZDA in Russian 5 Oct 95 p 3

[Report by Vadim Markushin: "Clinton Backs Supporters of 'Compromise'"]

[FBIS Translated Text] The Turkish press was wasting its time getting upset about Washington's alleged sponsorship of the Novorossiysk option for transporting Caspian oil to Western consumers. A recent telephone conversation between Bill Clinton and Geydar Aliyev demonstrated that there were actually no special "political motives" involved in the U.S. President's reluctance to annoy the Russians further. Clinton accepted the idea of pumping the oil through two pipelines — across Russian territory and through Turkey. As a result the "scales" in the ongoing discussion of the issue had assumed a neutral position, as it were.

This not very noticeable, but albeit significant "snag" made the Baku leaders more optimistic. For they believe that the Turkish option is the right one for Azerbaijan both economically and politically. According to Foreign Minister Gasan Gasanov, the passage of oil through Turkey is extremely important for security reasons, since Ankara is Baku's "most important partner" in foreign policy and economic terms.

Obviously they are satisfied in the Turkish capital too. Having tried pretty hard to demonstrate the advantages of crude oil transit to the Mediterranean port of Ceyhan, they have started saying of late that it would be useful to have two complementary arteries — through Russia and Turkey. There is enough Caspian oil for everyone, Prime Minister Tansu Ciller stated. Russia, with its technical potential, even given the modernization of the existing infrastructure, will be able to provide no more than one-half of the projected oil flow.

While realizing, however, that the transit question is far from resolved, Ankara is continuing to work hard explaining its calculations. At the same time, there are more and more signs from it of good-neighborliness toward Moscow. The other day President Suleyman Demirel again stated his country's willingness to "make effective use of the potential for cooperation with Russia for the sake of stability in the region." At the same time, he expressed the hope that transportation of oil will not be a "subject for political disagreements and conflicts."

To all appearances, Moscow is not inclined as yet to enter into discussions of alternate options, regarding "northern" transit as the right one. This cool approach can only be justified by one thing: real benefits and a favorable end result.

Aliyev Says Iranian 'Coolness in Relations' Felt

NC0510201495 Baku Azerbaycan Radio Televizivasi Television Network in Azeri 1600 GMT 5 Oct 95

[FBIS Translated Text] President Geydar Aliyev today received an Iranian delegation headed by Gholam Reza Shafe'i, Iran's minister of cooperatives and chairman of the joint Azerbaijani-Iranian commission on economic, technical, scientific, and humanitarian affairs.

Aliyev spoke on the history of Azerbaijani-Iranian ties and on the need to develop them. Our head of state noted that despite some ups and downs, every opportunity is being used to reach a new stage in ties.

Delegation head Gholam Reza Shafe'i spoke on the economic achievements of the past six months. He indicated that cultural, scientific, and economic cooperation is developing and the Iranian side is ready for cooperation in maritime and oil sectors.

Expressing his desire to provide extensive assistance to Nakhichevan, the guest stressed the need to take the necessary measures for joint work in the communications sector.

Shafe'i said both sides need to resume work on the Astara bridge and Khudaferin dam. He noted that Iran is ready for any cooperation for the prosperity, freedom, ayd independence of Azerbaijan.

President Aliyev emphasized that a new phase in Azerbaijani-Iranian ties began after the second half of 1993. He noted that the ice between the two countries is now thawing. Aliyev recalled his meetings with Iranian President Hashemi-Rafsanjani and other leaders and added that despite every effort by the Azerbaijani side,

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the coolness in relations was still being felt. But petty feelings should not undermine the friendship between the two neighborly and fraternal countries.

President Aliyev praised Iran's help to Azerbaijan since the start of the Karabakh conflict. But he recalled that despite an agreement no gas pipeline has been laid to Nakhichevan.

Aliyev stressed that Azerbaijan is ready for cooperation with Iran in Azerbaijan's Caspian sector.

Our head of state noted that Iranian-Armenian ties are gaining a broader dimension and this disturbs Azerbiajani society. Detailed talks were held on this issue after the meeting.

Georgia

Prime Minister, Deputy Resign To Participate in Elections

LD0510170695 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 5 Oct 95

[FBIS Translated Text] We present decrees by the Georgian head of state.

By a decree of the Georgian head of state, a request by the Georgian prime minister, Otar Patsatsia, on relieving him from his post owing to his participating in elections to the Georgian Parliament shall be complied with on the basis of paragraph 36 of the law on elections of the Georgian Parliament. The issue shall be submitted to the parliament for approval.

A request by the Georgian deputy prime minister, Tamaz Nadareishvili, on relieving him from his post owing to his participating in elections to the Georgian Parliament shall be complied with on the basis of paragraph 36 of the law on elections of the Georgian Parliament. The issue shall be submitted to the parliament for approval.

In connection with relieving the Georgian Prime Minister, Otar Patsatsia, from his post, Deputy Prime Ministers Basilia, Gulua, Kervalishvili, Menagharishvili shall take in turns the duties of the acting prime minister.

A request by the Georgian deputy prime minister, Avtandil Margiani, on relieving him from his post owing to his participating in elections to the Georgian Parliament shall be complied with on the basis of paragraph 36 of the law on elections of the Georgian Parliament. The issue shall be submitted to the parliament for approval.

A request by the Georgian minister of trade and supplies, Murtaz Zankaliani, on relieving him from his post owing to his participating in elections to the Georgian Parliament shall be complied with on the basis of paragraph 36 of the law on elections of the Georgian Parliament. The issue shall be submitted to the parliament for approval.

You have heard decrees by the Georgian head of state.

Article Profiles Future Russian Military Bases

AU0610105295 Tbilisi 7 DGHE in Georgian 22-28 Sep 95 pp 1,2

[Report by Irakli Aladashvili: "They're Singing the Old Song Again"]

[FBIS Translated Text] During the visit of Russian Prime Minister Viktor Chernomyrdin to Georgia, the agreement on the location of four Russian military bases in Georgia was finally signed. With this document, Russia has once again emphasized that its interests in the Caucasus, specifically Georgia, are more military and strategic than economic.

In spite of the fact that this document has neither been signed [word as published] nor ratified by the two countries' parliaments up to now, Batumi and Akhalkalaki, where the former 145th and 147th Motorized Infantry Divisions are located, have been reported as Russian military bases in the Russian mass media for over four months now.

We should view the military airfield at **Vaziani** as Russia's principal military stationing location in Georgia, which enables the headquarters of the Group of Russian Forces in the Transcaucasus [GRFT] to take the corresponding operational actions.

As we have previously pointed out, two air regiments equipped with MiG-23 fighters and Su-17 fighter-bombers were stationed at the Vaziani military airfield up until the summer of 1992. Following the departure of this combined unit, the Vaziani airfield became the main base linking the Russian military in the Transcaucasus with Russia. From here, transport planes flew out officers' families as well as a certain amount of military equipment and weapons (including the comparatively modern "Uragan" multiple rocket launcher with which the Georgian Armed Forces could have responded to the bombing of Sukhumi by targeting the Abkhazian separatists' command in Gudauta 30 km from the Gumista River).

Large-scale commercial activities, including the transportation of contraband (the import of foreign cigarettes without paying duty, the export of strategically important goods from Georgia, and so forth), were carried out (and continue to be carried out) at Vaziani airfield. It is precisely from Vaziani that strategic military equipment was transported to Bombora Airfield near Gudauta.

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Today, individual helicopter squadrons (12 Mi-24 and Mi-8 helicopters) are stationed in Vaziani. It is expected that combat helicopters will be brought here from Russia in the near future.

There is a motorized infantry regiment in Vaziani that was transferred from the Akhaltsikhe former 10th Regular Division in 1992.

Tu-134 "Saloon" [saloni] and An-12 and An-26 aircraft and up to five Mi-8MT military transport helicopters belonging to the GRFT command and located at Alekseyevka (near Tbilisi airport) belong to a certain extent to the Vaziani military base.

Akhalkalaki, where the former 147th Motorized Division is located, represents the second most strategically important military base (for Russia). The military unit stationed here also distinguished itself during the Soviet period with its weapons and military training. These weapons were pointed toward Turkey.

During the conflict in Karabakh, a large amount of firearms and ammunition from the Akhalkalaki division was transferred into the hands of the Armenian fedayeen [pidainebis] while the division's T-72 tanks, which had Russian crews, launched successful offensive actions against Shusha, Lachin, and other places. The military equipment belonging to both the Akhalkalaki division and Armenia that was damaged in the fighting was brought by train to the Russian Ministry of Defense tank repair factory in Tbilisi.

At the beginning of 1995, the Akhalkalaki division had 115 T-72 tanks and 128 artillery systems (D-30 122-mm howitzers, 152-mm self-propelled artillery systems, 2C-3 "Akatsiya," 122-mm multiple rocket launchers, and so forth).

However, following the transfer of a certain part of the weapons to the Georgian Armed Forces — these weapons were displayed during the military parade on 26 May — their number in the former division has been slightly reduced.

The **Batumi** former 145th Motorized Division was considered one of the best when under the command of General Gladishev and prior to the exposure of the well-known military and political intrigues in the Russian Ministry of Defense.

At the beginning of the year, there were 111 tanks (mainly of the T-72 type) and 93 artillery systems located at the so-called Russian 12th military base in Batumi.

It is also significant that, about three months ago, the Army Air Defense Regiment at the Batumi base underwent retraining in Russia on the new antiaircraft missile system and engaged in real combat action. The Russian Ministry of Defense is directing its attention on strengthening the Army's air defense at the Batumi military base.

The Batumi military base has its own specific feature. Whereas the majority of the military personnel at the Akhalkalaki base are Armenian nationals (particularly sergeants and junior officers), the local inhabitants in Batumi very willingly work there and even adopt Russian citizenship at the base.

Bombora Military Airfield near **Gudauta** is viewed as the fourth military base in the document. This famous airfield was built as early as in the late 1930's. It had several owners during the 1980's. First, it belonged to the Soviet Union's Air Defense. Then, in 1982, it was put at the disposal of the Transcaucasus Military District and later it again returned to the Air Defense.

Bombora Military Airfield played a key role in the defeat of the Georgian Armed Forces in Abkhazia.

As early as on 14 August 1992, Abkhazian separatists received up to 1,000 assault rifles and machineguns from the air defense unit stationed near Gudauta.

Su-27 fighters, Su-25 assault planes, and Mi-24 helicopters were based at Bombora Airfield and they carried out intensive bombing of Georgian Army positions and, of course, residential districts in Sukhumi.

Bombora Airfield was also used by transport planes to deliver ammunition to the Abkhazians in preparation for the assault on Gagra on 3 October [1992].

The airborne assault unit stationed here took a direct part in the assaults on Sukhumi both in March and in July and September [1993].

The Gudauta military base will undoubtedly play a decisive role in the settlement of the Abkhazian problem.

According to independent military experts, the establishment of four Russian military bases in Georgia excludes to a certain degree the principle of active neutrality that the country's leadership has been declaring over the last three years.

The military bases of a foreign country will naturally not remain idle. They will draw up operational maps, carry out command and staff exercises to perfect methods of combating a potential adversary and also training exercises. This military activity will result in similar actions being taken by the potential adversary (Turkey).

Finally, Georgian territory will become in reality an arena for military actions between two potential adversaries.

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Latvia

Foreign Ministry: Russian Assertions 'Unofficial'

WS0510154495 Riga LETA in English 1053 GMT 5 Oct 95

[FBIS Transcribed Text] Riga, October 5, LETA — The Latvia Ministry of Foreign Affairs has not received any information that would indicate Russia taking military measures in the Baltics if NATO should expand eastward.

"Under no circumstances can such assertions can be considered as the official policy of Russia," the state secretary of Latvia's Ministry of Foreign Affairs, Maris Riekstins, told LETA. On September 30, the newspaper KOMSOMOLSKAYA PRAVDA published the ostensible new military doctrine of Russia, and stated that Russia was ready to send its military forces into the Baltics if these nations join NATO. KOMSOMOLSKAYA PRAVDA maintains that the Pavel Grachev, the Russian Minister of Defense supports this doctrine.

A Russian military commentator quoted by the ITAR-TASS news agency said that "NATO membership of the Baltics would be the last drop in the cup of Russia's patience," and should NATO resist the flow of Russian arms into the Baltic, a third world war would be possible.

According to the Latvia Ministry of Foreign Affairs, the Ministry of Foreign Affairs of Russia had directed Latvia's diplomats to the editors of KOMSOMOLSKAYA PRAVDA who should be accountable for the information published.

On Tuesday, October 4 [as received], representatives from the Latvia Ministry of Foreign Affairs met with the officials of the Department of the Baltic Nations of the Ministry of Foreign Affairs of Russia. During the talks it was established that the Russia Ministry of Foreign Affairs had not considered the possibility of the Baltics joining NATO.

National Bloc, Latvian Way To Collaborate in Parliament

LD0510165495 Riga Radio Riga Network in Latvian 1500 GMT 5 Oct 95

[FBIS Translated Text] The National Bloc and the Latvian Way Union have agreed on the principles of political cooperation in the sixth saeima. In the new parliament these two forces have 46 mandates altogether, and in order to form a government they have to get the support of one more political force. The principles on which the Latvian Way and the coalition of national forces have agreed are the inviolability of the basic principles of the constitution, the stability of the national currency, the continuation of privatization, movement toward entry into the European Union, the Western European Union and NATO, as well as the creation of equal partnerships with other countries.

Saimnieks-Led Coalition Joined by Movement for Latvia

LD0610091995 Moscow INTERFAX in English 0115 GMT 6 Oct 95

[FBIS Transcribed Text] Riga, Oct 5 (INTERFAX) — The left-of-center coalition of Latvian political parties (Saimnieks, Unity Party and Public Accord Party) was joined Thursday by the Movement For Latvia (leader Joachim Zigerist) bringing the total number of its seats in the new parliament to 47 out of 100.

Coalition leaders told a Thursday news conference in Riga that Zigerist's movement had not yet signed the coalition agreement but had declared its membership in the coalition and future cabinet.

Zigerist remarked that the coalition will be "sufficiently leftist with a rightwing appendix" embodied by his movement.

The leader of Saimnieks and candidate to the post of prime-minister Ziedonis Cevers hoped that his cabinet would be supported by 53 or 54 deputies.

He stressed that his government would carry on the current strategy of economic reforms and integration in Europe.

According to him, the coalition is determined to pay special attention to the establishment of good relations with Russia.

Cevers said he will try to win the support of several members of the Latvian Road and National Independence parties and the Farmers' Union.

During the weekend President Guntis Ulmanis will continue negotiations with all parties elected to parliament.

Under the constitution the president should name the future prime-minister and entrust him with forming the cabinet which should be approved by the new parliament.

The head of state can dissolve parliament and call for early elections, if the cabinet does not have majority support in a new parliament.

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